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Brazilian Official Opens Cairns Meeting

PY1007003691 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 8 Jul 91

[Text] Brazilian Agriculture Minister Antonio Cabrera has opened a ministerial meeting of the Cairns Group in Manaus. Since 1986, the Cairns Group, which is made up of 14 countries, has negotiated the reduction of subsidies within the Uruguay Round of GATT.

During the meeting, which began today and will end tomorrow, the 14 countries could decide not to conclude the Uruguay Round of GATT if no decision is made on the reduction of subsidies for agricultural products.

This position was upheld by Uruguayan Agriculture Minister Alvaro Ramos and other ministers.

The agriculture group is one of the groups that is negotiating within the Uruguay Round of GATT, which began in 1986. During the negotiations, the Cairns Group has demanded the reduction of subsidies, against the opposition of EEC countries and Japan.

Despite its policy of subsidies, the United States supports the reduction, which will not be enforced unless the EEC and Japan agree to it.

During the inaugural session, Cabrera, who is presiding over the meeting, demanded full liberalization for farm product trade, the immediate elimination of export subsidies, and free competition. He said that market conditions also should preserve the environment. He noted that it was not by chance that the Brazilian Government chose Manaus for the meeting. The minister said that the wrong subsidy policies are reflected by territorial policies and the environmental preservation strategy.

At the end of the meeting, the ministers will issue a document called the Letter of Manaus. Cabrera said the document will outline more clearly the Cairns Group position, including the decision not to conclude the Uruguay Round if subsidies are not reduced.

[Begin Cabrera recording] If no progress is made in the agricultural area, we will adopt that position; we will not yield in the other areas. This should be reciprocal. Brazil has opened its economy. We have approved the new information law. We have recognized pharmaceutical patents, and we have opened patent registries. This calls for reciprocity in the exportation of agricultural products, that is, we will, for example, open the market to the importation of computers, but we would like them to eliminate subsidies on orange juice, meat, and so forth. [end recording]

At the ninth Cairns meeting, Argentine wheat producers circulated a note repudiating the sale of subsidized U.S. wheat to Brazilian businessmen. The note questioned the position of countries like Brazil and the United States, which have demanded the reduction of subsidies.

Cabrera explained that the note is outdated because President Fernando Collor already has signed a decree imposing a compensatory tax on subsidized imported products. In addition, a government bill regulating compensatory taxes is ready to be submitted to Congress.

Cuba

Rodriguez Tours Shanghai, Meets With Mayor

FL0807120391 Havana Tele Rebelde Network in Spanish 1100 GMT 8 Jul 91

[Text] Cuban Vice President Carlos Rafael Rodriguez has completed an extensive schedule of visits in Shanghai, one of the great centers of development in China. Carlos Rafael Rodriguez, a member of the Politburo of the Communist Party of Cuba and vice president of the Councils of State and Ministers, held cordial talks with Shanghai Mayor Huang Ju, who asked him to communicate to the Cuban people the greetings of the 13 million Shanghai residents. The Cuban leader, who is now back in Beijing, described as very moving his visit to the house where 70 years ago a clandestine meeting was held to found the Communist Party of China.

Visit To End 10 Jul

FL1007022891 Havana Radio Rebelde Network in Spanish 2300 GMT 9 Jul 91

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers and a member of the Politburo of the Communist Party of Cuba, has visited the Mao Tse-tung mausoleum in Beijing. The Cuban leader and his accompanying delegation rendered solemn tribute to the Chinese leader in the large Beijing square, where the monument is constantly being visited by citizens from all over the nation.

Later, Rodriguez toured a section of the Great Wall of China located close to the capital. The Great Wall of China is an impressive military engineering feat with more than 2,000 years of history symbolizing the age, strength, and unity of the Chinese people.

The Cuban leader's visit began on 1 July and will conclude tomorrow after more than a week of work and touring of historical, cultural, and development centers in Beijing and Shanghai. Shanghai is the most populous city of China.

Since his solemn welcoming ceremony in the great People's Square by Vice President Wang Zhen, all activities of the visiting Cuban official have been covered by the TV media and press. The press reported on Rodriguez's participation in the public presentation of the Chinese edition of the book *Southern Challenge*. Its contents tells of the South Commission headed by the distinguished African statesman, Julius Nyerere. As a representative of Cuba in the working group that assembled raising figures of Third World countries, Carlos Rafael Rodriguez spoke during the seminar on the new international order and cooperation between the so-called Southern countries just shortly before the book was presented.

Two other members of the visiting delegation were Carlos Martinez Salsamendi, adviser to Rodriguez, and Jose Armando Guerra Menchero, Cuban ambassador to China.

Havana PCC Assesses Past Performance

FL0907020591 Havana Cuba Vision Network in Spanish 0000 GMT 9 Jul 91

[Text] The opening session of the second plenum of the provincial committee of the Communist Party of Cuba [PCC] in Havana began today in the party's provincial headquarters.

[Begin recording] [Reporter Maribel Acosta] The plenum evaluated the past six months of implementing directives for the special period, particularly those related to the food program, energy program, and public services. The measures implemented in each area were discussed to guarantee the maintenance and production of services in a stable fashion. Alternatives ranging from the substitution of diesel for oil fuel in important industries to the results already noted in areas of public health, food transportation, and distribution were studied.

Of course, an analysis was made of the deficiencies that still exist in the agricultural plans and the effects of these deficiencies in resulting low yields. The need to meet goals in the food plan, the effort that must be given right now, and obligations to the party for those with important responsibilities was also emphasized in the meeting.

[Reporter Hilda Suarez] The 1990-91 sugarcane harvest was a controversial subject during the plenum. Havana Province is strongly represented in this sector. It has 16 agro-industrial complexes and has the greatest producer of refined sugar in the country—the Camilo Cienfuegos complex. Nevertheless, the results of the production of cane, sugar, and by-products was not the one expected. There was a drop in these areas compared to last year because of factors that harmed the entire process. Efforts need to be made now to achieve high yields per caballerias. The work ranging from selection to delivery to the industry needs to be taken into account.

The quality of repairs is another aspect that has an effect in the results. The search for concrete solutions need to be continued under the current conditions to guarantee the next harvest. Each task needs to be done with greater dynamism and swiftness. In sum, the second plenum of the party in Havana, laid the foundations for the current and future work. [end recording]

Fourth Party Congress Delegate Elections Begin

FL0907130891 Havana Tele Rebelde Network in Spanish 1100 GMT 9 Jul 91

[Text] The process of electing the delegates to the fourth party congress has begun throughout the country. On this occasion, the participation of the base-level organizations is decisive; that is where a precandidate will be elected by each cell of up to 25 members and two when

there are more than 25. Voting will be direct, and an unlimited number of comrades may be nominated.

In addition to personal merits, it is necessary to take into account the person's ability to contribute elements of interest during the congress' discussions. The biographies of the precandidates will be shown in a public place at their work centers, and the leaders of the party cells will take into account the views of the workers in confirming or rejecting the nominations. If some case is rejected, the entire process must be redone.

Finally, the special party provincial assembly will elect the delegates in a direct, secret vote. At these provincial assemblies, which will be held in September throughout the country, the candidates who had been nominated in the base-level organizations for membership in the party Central Committee will be elected. The requirements for being selected are: an outstanding background, analytical ability and results at work; earned respect and authority within one's work group; and being a party member for at least five years.

Country Rejects UN Human Rights Appointee

FL1007004991 Havana Radio Rebelde Network in Spanish 2300 GMT 9 Jul 91

[Interview with Ambassador Ana Maria Gonzalez, chief of the Human Rights Group in Cuba; and Juan Antonio Fernandez, specialist of the Human Rights Group; by Juan Carlos Roque Garcia during the "Exclusivo" program; place not given—live or recorded]

[Text] [Roque Garcia] A few days ago, some news agencies echoed the U.S. State Department's lamentation that Cuba refuses to allow on the island a UN special envoy assigned to supervise the human rights situation in our country. As you may remember, the UN Human Rights Commission agreed last March, under great pressure from the United States, to designate a special representative to Cuba. Knowing the Cuban position of now allowing that initiative, the commission appointed Rafael Rivas Posada, a Colombian diplomat, as a human rights reporter in Cuba at the beginning of this month. In search of more details regarding the Cuban response, I will talk with Ambassador Ana Maria Gonzalez, chief of the Human Rights Group in Cuba, and Juan Antonio Fernandez, specialist from this group.

[Gonzalez] From the beginning we said we would not comply with the resolution. This has been an imposition that has nothing to do with the human rights situation in Cuba because there are no cases of flagrant human rights violations in Cuba, which justify the appointment of a representative or special reporter. This has been the case with other countries that have needed special representatives to monitor their human rights situation. This is not justified in Cuba in any way, especially since the UN secretary general's report, requested by a resolution passed the previous year, that Cuba did not merit a follow-up report, or any other discriminatory treatment by the commission.

[Roque Garcia] The U.S. State Department arrogantly says our stance reflects Cuba's isolation from the world community. What does specialist Juan Antonio Fernandez think about this?

[Fernandez] Well, the allegations that Cuba is isolated from the international community are not new. This is an absolute lie the State Department always releases about Cuba. It would have to be recalled that, in any case, the U.S. amendments to the Latin American resolution draft that was presented in Geneva during the Human Rights Commission session were approved by a vote of 21 to 18. Most of the Latin American and Third World countries were among those voting against the amendments. This vote of 21 in favor, 18 against, and 4 abstentions, was the result of exertion of great pressures, along with outrageous blackmail carried out by the United States at the Human Rights Commission.

On the other hand, this resolution, supported by a decision of the Economic and Social Council, in its decision No. 20, was approved with a vote of 19 votes in favor, 11 against, and 23 abstentions. This indicates to us that for the first time—as far as we know—in the history of the United Nations, such a resolution is approved by almost a third of the members of a main organ of the organization.

Furthermore, I do not know how there can be talk of Cuba's isolation in human rights matters, when at this same Economic and Social Council, Cuba was reelected for the second time as a member of the Human Rights Commission, which needs the acknowledgement of the international community of the exercise and promotion of human rights in Cuba, and the understanding that all this is nothing more than a tremendous political campaign aimed against our country, as part of a bilateral problem between Cuba and the United States.

[Roque Garcia] I am grateful for this conversation with Ambassador Ana Maria Gonzalez, chief of the Human Rights Group, and Juan Antonio Fernandez, specialist of this group, on the occasion of the appointment at the beginning of this month of Rafael Rivas Posada, a Colombian diplomat, as human rights reporter in Cuba. Of course, this is an appointment, or imposition, our country does not accept.

Bolivian Military Delegation Arrives for Visit

PA0807173591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 8 Jul 91

[Text] A Bolivian military delegation arrived in Cuba on an official visit today. The delegation is headed by Division General Oscar Escobar Quiroga, the commander of the Bolivian Army. He was received by Cuban Division General Ulises Rosales del Toro, FAR [Revolutionary Armed Forces] Minister Raul Castro's first vice minister and chief of the General Staff. Other FAR generals, chiefs, and officers were present at the arrival of the Bolivian military delegation.

Upon arrival, Escobar said he was happy to be in Cuba and that he believed the visit would be of mutual benefit. He added that they planned to discuss their experiences in different fields, especially the Army's participation in the development of agriculture. During this stay on our island, the Bolivian delegation will visit places of interest in the socioeconomic, political, historical, and military spheres.

Official Talks Held

FL0907012191 Havana Cuba Vision Network in Spanish 0090 GMT 9 Jul 91

[Text] Representatives of high-level chiefs and officers of the Revolutionary Armed Forces [FAR] and the Army of the Republic of Bolivia, who are visiting our country, have held official talks at the Minfar [Ministry of the Revolutionary Armed Forces] offices. Division Generals Ulises Rosales del Toro, first vice minister of the FAR and chief of the General Staff; and Oscar Escobar Quiroga, chief of the General Staff of the Bolivian Army; headed the delegations. Subjects of bilateral interest were discussed during the meeting.

In the afternoon, The Bolivian delegation toured the Maximo Gomez FAR Academy. Colonel Cecilio Gonzalez Serrano, deputy chief of the academy, gave details of the instruction process, the training of higher level officers, and the education of teachers. The members of the delegation were able to verify the high scientific level of the academy and the development of educational material resources such as special classrooms, laboratories, and a rifle range.

In addition, during the morning, the visitors placed a floral wreath at the foot of the monument in memory of Lieutenant General Antonio Maceo and his aide Panchito Gomez Toro at the Cacahual.

Special Tours, Briefings Held

FL1007011091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 10 Jul 91

[Text] Today, the official military delegation from the Republic of Bolivia continued its program of activities in our country. The delegation toured the Revolutionary Armed Forces General Antonio Maceo Interservice School. The visitors were given a detailed briefing of the educational system and training of the military institution's future officers. They also learned details of the school specialities, infantry, intelligence, and tank command, among them. During a tour of the classrooms, shooting ranges, and other installations, they were able to confirm the high level of training of the young cadets and the scientific standards of the faculty. Practical demonstrations were given of squads fighting firing vehicles and tanks.

At the Emilio Barcenas Viera Military Industrial Enterprise, the delegation visited the shops where tanks and other armored vehicles are repaired. They also learned about the work of innovators and efficiency experts in the production of spare parts.

Tomorrow, the Bolivian delegation will tour other military units and places of social interest in Havana.

Western Naval Base Conducts Maneuvers

FL0907013391 Havana Cuba Vision Network in Spanish 0000 GMT 9 Jul 91

[Text] The ministerial inspection of the Western Naval Base of the Revolutionary Navy has concluded satisfactorily. During a maneuver, the combatants showed their skills in the defense training and preparedness of that great unit.

Faced with a mock enemy attack, which would have landed in the region after conducting massive air attacks, the units were placed in a full defense readiness status. With a high level of combat mastery, they demonstrated the elimination of the enemy ships and their accompanying vessels. With the implementation of many initiatives, the surface and land units achieved a high level of quality of training aimed at teaching the navy men and increasing cohesion and cooperation with other units.

During the maneuvers, in addition to night and day navigation and land sweeping activities; rockets, torpedoes, and antiaircraft artillery were shot. Once again, the Western Navy Base demonstrated its long combative record endorsed by the most recent Antonio Maceo Order.

Haiti

Coup Suspect Release, Prosecutor Departure Tied

FL0814214191 Port-au-Prince Radio Metropole in French 1500 GMT 8 Jul 91

[Text] The release of former presidential candidate Leslie Maximillien on 27 June is allegedly the cause of the resignation of government Prosecutor Josue Pierre.

Arrested on 10 June, accused of a plot against state security, Maximillien was freed on 7 June and went abroad the same day for health reasons. Attorney Josue Pierre reports that he had been humiliated by the president's men when invited to the National Palace to explain the circumstances of this release.

Coupist Ordered Released

FL0907204291 Port-au-Prince Radio Metropole in French 1600 GMT 8 Jul 91

[Text] Government prosecutor, attorney Josue Pierre, who resigned on Friday, claims to have been humiliated by the presidential aides while he was wating at the National Palace. The release on 27 June of former presidential candidate, Leslie Maximillien, is supposedly the source of the resignation of Josue Pierre. Maximillien, accused of a plot against state security, left the country for health reasons the day of his release.

According to Pierre's account to the newspaper, L'UNION, it was for this reason that he, Josue Pierre, was humiliated by presidential aides after being summoned to the palace. Pierre revealed to L'UNION that he was left waiting for four hours by the duty officer before being received by the president of the Republic. L'UNION reports that the president expressed anger toward Pierre during the meeting. The former prosecutor maintained the argument that the order to release Maximillien had come directly from the council of examining judges, specifically Judge Henock Voltaire.

In his interview with L'UNION, Pierre also commented on the sentencing of the 7 January coupists. We recall that President Aristide recently expressed to L'UNION that he wanted Lafontant to be sentenced on 15 July. Questioned on this matter, attorney Josue Pierre stated: As president, one can will what one will, but certain matters depend upon subordinates. When the cases are ready, the senior officer of the civil court publishes an order in the official newspaper, setting the date for the assizes.

In response to L'UNION's comment on the delay in technical procedures, attorney Josue Pierre explained that the file on the putschists is bulky; it is overloaded. Several judges are already showing signs of overwork and stress from this case. Attorney Josue Pierre asserts to having sacrificed his weekends to try to meet the president's expectations. He noted that his replacement will need to work with equal fervor.

He expressed bitterness and sadness after only a short mission as government prosecutor. Attorney Josue Pierre is being temporarily replaced by attorney Augustin.

Jamaica

Banking Authorities Begin BCCI Investigation

FL0807235591 Bridgetown CANA in English 2217 GMT 9 Jul 91

[Text] Kingston, Jamaica, July 8, CANA—Jamaican banking authorities, still in business with the Bank of Credit and Commerce International (BCCI), on Monday began investigating the operations of the Jamaican branch of the Luxembourg-based institution. The major operation. of BCCI in London were closed Friday after British authorities accused the bank of fraud. Similar suspensions were ordered by authorities in Barbados and the Cayman Islands.

Announcement of the investigation by a team, headed by the deputy inspector of banks, followed an announcement over the weekend establishing a J50,000 dollar ceiling on withdrawals from the BCCI branch here. The measure was an obvious effort to stave off a run on the bank.

The Jamaican branch of BCCI is reported to have an asset base of J305.7 million dollars. Just under 31 million dollars is being held in deposits, with more than 175 million dollars being held in deposits re letters of credit.

Meantime, Finance Minister P.J. Patterson has written the manager of the local BCCI branch, informing that in accordance with the Banking Act, BCCI was being barred from accepting further deposits, and that all assets held by the bank in Jamaica were being frozen, and would not be released or made available, except for the payment of deposit liabilities. The order further barred BCCI from transferring funds to any other country without permission from Jamaican authorities, and instructed the bank's management to provide any information needed by Jamaican authorities upon request.

The Jamaican Government still has business with BCCI. In 1987, when the government needed some U.S.37 million dollars to meet certain targets of the International Monetary Fund, 40 million dollars was borrowed from the bank marking the start of business with the bank. Subsequently, several public-sector loans were negotiated with the bank. According to information from the Bank of Jamaica, at the end of February this year, the Jamaican Government had U.S.34.13 million dollars in lines of credit outstanding to BCCI by Jamaica.

President Arrives in Prague, Holds Talks

LD0307080491 Prague CTK in English 1740 GMT 2 Jul 91

[Text] Prague July 2 (CTK)—President Carlos Salinas de Gortari of Mexico arrived here today for a two-day visit, at the invitation of Czechoslovak President Vaclav Havel.

Accompanying the president are Mexican Foreign Secretary Fernando Solana Morales, Secretary of Trade and Industrial Development Jaime Serra Puche and Finance Secretary Pedro Aspe Armella.

During talks with President Salinas, Havel said Czechoslovakia was interested in expanding its relations with Mexico, the president's spokesman, Michael Zantovsky, told journalists.

Salinas said Mexico is following Czechoslovakia's attempt at rapid transformation with great interest, and pointed to the similarities with the political and social changes in Mexico.

Havel described to Salinas Czechoslovakia's initiatives regarding the European Community and the Conference on Security and Cooperation in Europe, and emphasised his country's interest in maintaining good relations with the Soviet Union, based on equality.

At a dinner tonight Havel welcomed the visit by the Mexican president to Czechoslovakia at a time when both countries are opening up to the world and want to enhance contacts with the international community.

"Although our starting positions are not fully identical, we are united by our resolve to ensure a dignified entry into the next millenium for our nations," Havel said.

Bilateral relations today advanced in the right direction, said Salinas. He added that his visit confirms the continued industrial and technological cooperation. To expand trade, direct contact between commercial representatives of the two countries is needed, Salinas said.

Also present at the dinner were Czechoslovak Parliament Chairman Alexander Dubcek, Premier Marian Calfa, and other officials.

'Concern' About Yugoslavia Voiced

PA0407215791 Mexico City XHTV Television Network in Spanish 0200 GMT 4 Jul 91

[Text] Mexican President Carlos Salinas de Gortari and Czechoslovak President Vaclav Havel have voiced their concern about events in Yugoslavia. They have agreed that the differences in that country should be resolved through dialogue.

In a news conference after President Salinas de Gortari's visit to Prague, the Czechoslovak president stated that the use of the Army to resolve the internal conflict is illegal. We are concerned about reports on the insurrection of the Yugoslav Army, he said. To resolve the crisis, Havel added, both the principles of European security and the inalienable right to self-determination should be taken into consideration.

President Salinas described what is taking place in Eastern Europe as a paradox.

[Begin Salinas recording] We must find mechanisms to resolve the apparent paradox that exists between the globalization of economic relations and the Balkanization of political processes. The reality that we are facing today in Eastern Europe drives us to carefully reflect and also to take decisive steps to begin dialogue, as well as place great importance on multilateral forums. [end recording]

Before addressing the Czechoslovak Federal Assembly, the Mexican president noted the importance of implementing effective means to replace traditional conflicts for dialogue and reason.

[Begin Salinas recording] Mexico believes that the policy of power should be subordinated to the policy of law. The new circumstances demand that we adopt decisive measures to make the spirit of agreement prevail over that of confrontation. [end recording]

Summarizing his short visit to the Republic of Czechoslovakia, the Mexican president said that the objectives of his visit have been fully met, adding that the ties of political communication and economic relations between the two countries, which began with the visit by President Havel to Mexico, have been strengthened.

[Begin Salinas recording] Mexico is interested in establishing a complete diversification strategy in its foreign relations. [end recording]

President Salinas de Gortari stated that Mexico and Czechoslovakia have reached commercial exchange agreements, which, although limited, leave room for a substantial increase in the future.

President Salinas Arrives in Moscow for Talks

WA0907145191

For reportage on the visit of President Carlos Salinas to the Soviet Union, including his talks with Soviet President Gorbachev, see the Latin American & Caribbean section of the 5 July Soviet Union DAILY REPORT and subsequent issues.

Visit To Strengthen Economic Ties

PA0507191891 Mexico City NOTIMEX in Spanish 2145 GMT 4 Jul 91

[Article by Lucia Perez Moreno, NOTIMEX correspondent]

[Text] Moscow, 4 Jul (NOTIMEX)—Mexico and the Soviet Union will strengthen their economic ties through the implementation of nontraditional payment mechanisms, Trade Secretary Jaime Serra Puche confirmed to NOTIMEX today.

Both nations have made commitments to develop their trade relations based on studies that guarantee new applications of exchange in the economic as well as the financial sectors, the Mexican official said.

"We will study the Soviet proposal, the forms of payment, including letters of credit that can be set up between both nations or by bartering products," Serra Puche noted.

When questioned on the Mexican Government's opening to the international markets, Serra Puche said: "Our trade strategy is to take into account all markets to obtain greater access for Mexican products."

One of the objectives of Mexican President Salinas de Gortari's visit to this country was to broaden economic cooperation. "This is why," added Serra Puche, "a group of Mexican businessmen came here to look for new market."

According to an analysis made by the Mexican Foreign Trade Bank, the trade relations between both nations have been drastically reduced in the past years.

In 1988 Mexico exported to the Soviet Union approximately $150 million, two years later, the exports to this nation fell to $50 million.

Mexican economic experts accredit this contraction to the reduced payment capacity of the Soviet Union, in light of the severe crisis it is up against, while it undergoes a difficult period of economic reforms.

Serra Puche is part of a delegation that is accompanying Salinas de Gortari on his official tour to four European nations: Germany, Czechoslovakia, the USSR; tomorrow he travels to Italy.

SCT on Status of 'Solidarity' Satellites

PA0907170891 Mexico City NOTIMEX in Spanish 1947 GMT 3 Jul 91

[Text] Mexico City, 3 Jul (NOTIMEX)—The Secretariat of Communications and Transport (SCT) will announce on 12 July the name of the company that will be in charge of launching the second generation of Mexican satellites, to be called "Solidarity."

Three companies are participating in the bidding: the U.S. company General Dynamics, the Chinese Long March, and the European Arianne-Space consortium. Telecommunications of Mexico (Telecomm), the decentralized organization headed by Carlos Lara Sumano, is analyzing the three bids.

The second generation of Mexican satellites will be launched in late 1993, to begin operating the following year. They will consist of telecommunications equipment containing the highest technology available worldwide, thereby placing the country in the vanguard in this area.

Lara Sumano noted that on 19 April, Telecomm announced the agreement signed with the U.S. firm Hughes Communications International, Inc. to supply the "Solidarity" satellites.

He explained that the system will have the most advanced space technology and will provide services for transmitting digital signals of voice, data, video, teleaudio and television in the "C" and "KU" bands.

In addition, this service will be provided in the "L" band for mobile services, for communications by land and sea, and radio transmission in cases of emergency.

The SCT has not yet determined the total cost of putting the second generation of Solidarity satellites into operation; however, the Telecomm director said that it could range between $120 and $150 million.

Lara Sumano said that for the moment, there has been an excessive demand for Morelos I and II satellites, especially in the "KU" band, so an attempt will be made to meet consumer needs by renting the service of other satellites.

Finally, Telecomm explained that putting these satellites into operation includes expanding the control center and creating an alternate center at the telecommunications complex in Iztapalapa, as well as the establishment of a dynamic simulator and a payload laboratory.

El Salvador

Explosion Heard in Downtown San Salvador

PA0907202191 San Salvador Radio Cadena YSU in Spanish 1800 GMT 9 Jul 91

[Report by Daniel Rivas]

[Text] Good afternoon, a powerful explosion was heard in the center of San Salvador a few minutes ago. Official sources have confirmed that unidentified persons threw an explosive device in the vicinity of the Attorney General's Office. The device exploded at 9th Street East and Spain Avenue in, we repeat, the vicinity of the Attorney General's Office.

Other sources have reported that the device was thrown at the Attorney General's Office to injure the guards. Members of the Red Cross have reported that a civilian was wounded in the explosion, but has already been taken to the hospital. YSU queried police sources, but they did not have more information at this time. This is my report. Let us go back to the main studio.

[San Salvador Radio Cadena Horizonte in Spanish at 1830 GMT on 9 Jul reports: "Alleged FMLN [Farabundo Marti National Liberation Front] commandos hurled an explosive device against the government's general supply office [proveduria general de la republica], which is under the Finance Ministry, at noon today."]

Rebels Attack Army in Nueva Concepcion, Capital

PA0907153791 Paris AFP in Spanish 1454 GMT 9 Jul 91

[Text] San Salvador, 9 Jul (AFP)—Salvadoran rebel sources have reported that the guerrillas have inflicted "numerous" casualties on the Army in an attack on military positions in Nueva Concepcion, an important town in northern El Salvador, located 67 km from the capital.

Insurgent commando units have also attacked military positions in the capital and its outskirts.

The Army's press office, which confirmed the guerrilla attack in the north, said it does not know the number of casualties but indicated that the battles continued at 0800 (1400 GMT).

Fighting Reported in Chalatenango Department

PA0907201291 San Salvador Radio Cadena YSU in Spanish 1800 GMT 9 Jul 91

[Telephone report by Carlos Mario Marquez, Radio Cadena YSU news director, from Nueva Concepcion—live]

[Text] The fighting continues in Nueva Concepcion, 70 km north of San Salvador, in Chalatenango Department, principally in the midtown area, where the National Police Precinct is located. FMLN [Farabundo Marti National Liberation Front] rebels are holding positions in this sector. It has already been reported that several soldiers are wounded, including three soldiers of the Santa Ana 2d Infantry Brigade, who were deployed in this zone, and six policemen. A few minutes ago, the reporters covering the developments saw one wounded policeman. Relief agencies, such as the Red Cross and Rescue Commands, however, have not come to the site to evacuate the wounded. The fate of many civilians caught in the fray is unknown. The guerrillas are using heavy weapons and the police are defending themselves and responding with mortar fire. As we said this morning, the fighting began at 0430 and is still raging at noon. Thus, the combat has been going on for over 8 hours.

Traffic is paralyzed and onlookers come out of their homes and run back in when new shooting erupts. We must note that electricity has been out since early morning, but telephone communications are still operating.

Relative calm prevails at the city's outskirts, in the area near (?the gas station). Some rebels are having lunch at different points of this city. As we said, the fighting continues, and the situation in this city is tense. The people were not able to go about their day's business and schools did not open. We can report that some curious onlookers went into the Agricultural Development Bank office, which was destroyed. Thieves have gone in to steal the office equipment. We have also learned that bank employees were able to recover some of the bank's equipment. We repeat, the bank's roof and some of the furniture were destroyed, but some of the office equipment was not.

Soldiers Reported Killed in Clashes in Usulutan

PA0907213691 San Salvador Radio Cadena YSU in Spanish 1800 GMT 9 Jul 91

[Report by Dagoberto Saavedra Garay]

[Text] Three soldiers have reportedly been killed in recent clashes in Usulutan. Soldiers Gabriel de Jesus Martinez Garcia, 23, Manuel de Jesus Amaya Zelaya, 23, and Jose Luis Quinteros Aparicio, 22, were killed in an ambush that took place in the last 12 hours, north of Santa Elena, Usulutan Department.

Civilians questioned this morning by YSU reported that the troops entered a coffee farm, where they found several men who did not raise their suspicions, as they were cutting trees. These men ambushed the Army troops after they entered the farm; three soldiers ended up being killed. These soldiers belong to the 3rd company of Jucuaran Battalion of 6th Infantry Brigade. So far, no casualties have been reported on the side of the Farabundo Marti National Liberation Front.

According to reports by civilians, the clashes began at 1200 on 7 July and are still going on in Canton (?Juigancha) Arriba, Santa Elena, Usulutan Department.

More Wounded in Suchitoto

PA0907220591 San Salvador Radio Cadena YSU in Spanish 1800 GMT 9 Jul 91

[Report by Mauricio Hernandez Bolanoz]

[Excerpts] Dear listeners, we are here at the health center in Suchitoto, Cuscatlan Department, where we have learned that four soldiers of Military Detachment No. 5 stationed in Cojutepeque have been seriously wounded in clashes with the FMLN [Farabundo Marti National Liberation Front] in the area between Chilingo and Chanquera, on the road that leads to San Martin. [passage omitted]

The soldiers who have been seriously wounded are: Jose Pastor (?Vegas) Miranda, Jose Roberto Alfaro Lopez, Sub-sergeant Guzman Tovar, and Santos de Jesus Ramirez Castro. It was reported that the clashes took place at approximately 1130 today on the road from Suchitoto to San Martin. No casualties have been reported among the FMLN rebels. However, military troops have reported that an unspecified number of rebels have also been seriously wounded. [passage omitted]

Given the nature of their injuries, the soldiers were taken to the military hospital in San Salvador. [passage omitted]

The clashes are still going on. We were told that fighting is also going on at the settlement of El Vario, located 6 km east of the road. This is the situation up to now. We were also told that the road to Suchitoto is blocked.

Media Roundup of Army-Rebel Clashes

PA0907150691

[Editorial Report] Following is a compilation of reports on clashes between Salvadoran Army troops and Farabundo Marti National Liberation Front (FMLN) guerrilla forces that took place between 29 June-7 July:

Panama City ACAN in Spanish at 1914 GMT on 30 June in a 150-word report quotes a Coprefa (Armed Forces Press Committee) bulletin which states: "At least 11 guerrillas were killed last night [29 June] during an ambush by specialized Salvadoran Army units in the centrally-located San Vicente Department." The report adds: "Between 30 to 40 guerrillas were taken by surprise by 5th Infantry Brigade troops in Rio Frio, San Vicente Department."

San Salvador LA PRENSA GRAFICA in Spanish in its 2 July issue publishes a 250-word report on page 2 on clashes in Rio Frio and adds to the previously cited ACAN item by listing the war materiel confiscated from the FMLN: "12,000 rounds of AK-47 rifle ammunition and 3,000 rounds for M-16 rifles." The report continues: "The following equipment was confiscated from the terrorists who fell: six AK-47 rifles, six M-16 rifles, 27 ammunition clips, 600 mine detonating capsules, two powerful communications radios, eight knapsacks packed with military uniforms, harnesses, belts, radio battery chargers, various documents now being studied to determine their importance, and a birth certificate issued to Marta Estela Marquez."

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 30 June broadcasts two minutes of military reports, which begin: "Between 1230 to 1700 today, 29 June, we inflicted nine casualties on the Bracamonte Battalion, including three sergeants and one radio operator, in El Rincon Canton, El Salitre, San Jose Guayabal Jurisdiction, in Cuscatlan Department." The report adds that "11 more casualties were inflicted on the 1st Infantry Brigade's Libertad Battalion in La Cruz Canton, San Jose Guayabal, Cuscatlan Department."

San Salvador Canal Doce Television in Spanish at 0300 GMT on 3 July broadcasts a one-minute battle report which states: "The Armed Forces inflicted seven casualties on the FMLN in clashes on 1 July in Chalatenango Department. The Army reported that four guerrillas were killed and three others were wounded during an armed clash with Atlacatl Battalion troops in San Jose las Flores." The report adds that after the clash "the soldiers confiscated three rifles with clips and ammunition and other war materiel." The report ends by noting that two peasants who were wounded when they stepped on an abandoned FMLN mine on the outskirts of Tecoluca, San Vicente Department.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 3 July broadcasts a two-minute battle report which begins: "At 0615 today, 2 July, END [National Army for Democracy] units attacked Treasury Police positions on Las Chilas Hill, Victoria Jurisdiction, Cabanas Department. The END forces inflicted five casualties on the Treasury Police in this attack—two policemen were killed and three were wounded." The report adds: "After the mission, our units withdrew unimpeded."

Radio Farabundo Marti at 0000 GMT on 4 July reports carries a three-minute report which states that "in response to the Armed Forces' attempt to stall for time in the guerrilla-controlled territories of Chalatenango, Usulutan, and Cerro Guazapa, the END carried out three actions in San Salvador this morning. A patrol car was attacked with explosive devices and rifle fire in Miramonte; four policemen were killed and three were wounded." The report goes on to say that the rebels damaged an Armed Forces Civic Action building and an energy substation in Soyapango.

The station adds: "On 2 July, the END clashed with Bracamonte Battalion troops in Los Lirios, San Jose Guayabal, Cuscatlan. The battalion sustained eight casualties." On 1 July, END reportedly clashed with Atonal Battalion troops in San Francisco Javier, Usulutan. Two of the battalion's members were wounded. In all, this report cites 18 casualties inflicted on the enemy.

LA PRENSA GRAFICA in its 6 July issue publishes a 175-word report on page 19 which states that "five

terrorists were killed and nine were wounded in clashes with the Army in the area of San Jose Guayabal, Cuscatlan." The soldiers seized two AK-47 rifles and ammunition clips. A 200-word report on page 17 of the same paper adds that "the 1st Infantry Brigade discovered and destroyed two FMLN camps, with a capacity for 400 terrorists, in Los Lirios, south of Cerro Guazapa. The soldiers found a large quantity of material for manufacturing explosives and some documents. There were no casualties."

San Salvador EL DIARIO DE HOY on 6 July publishes on page 4 a 125-word report which states that "the FMLN identified as 'Commander Camilo Turcios' the terrorist killed in a military ambush with 12 other subversives in Rio Frio, San Vicente, last week."

Finally, Radio Venceremos at 0031 GMT on 6 July carries a two-minute report which states that "within the framework of the Armed Forces' operations in Dulce Nombre de Maria, San Francisco de Morazan, San Fernando, La Palma, San Ignacio, and Tejutla, Chalatenango, in June, the END killed 16 and wounded 31 soldiers of the 4th Infantry Brigade, including three corporals and one sublieutenant." In addition, the END reports having seized "five M-16 rifles, six ammunition clips, and seven knapsacks."

New Round of Government-FMLN Talks Begin

PA1007044391 Hamburg DPA in Spanish 2127 GMT 9 Jul 91

[Text] Mexico City, 9 July (DPA)—Representatives of the Salvadoran Government and the guerrillas resumed today in Mexico City tight-lipped negotiations to try to find a peaceful solution to the war in this Central American nation.

Just like in the last round of talks held in the Mexican city of Queretaro at the end of June, the main topic of discussion for President Alfredo Cristiani's government delegation and the Farabundo Marti National Liberation Front (FMLN) delegation will be the restructuring and purging of the Armed Forces.

It appears that this time the agenda does not include the second main issue in the negotiating process regarding an agreement on the cease-fire. The members of the technical-military subcommission, which was created in Queretaro to specifically deal with this issue, will not participate in this meeting.

Rebel sources said that the FMLN will once again put on the table the need to discuss the socioeconomic issue—rejected in Queretaro by the government delegation—as an essential part of an agreement to resolve the economic and social causes of the conflict.

The following government delegation will participate in the new round of talks: Presidency Minister Oscar Santamaria; writer David Escobar Galindo; and Colonel Mauricio Vargas, deputy Army chief of staff.

The FMLN is represented by Leonel Gonzalez, member of the General Command; and Ana Guadalupe Martinez and Salvador Samayoa, from the rebel Political-Diplomatic Commission.

Rebel Radio Comments on Jesuit Murders

PA0907161791 (Clandestine) Radio Venceremos in Spanish to El Salvador 0008 GMT 5 Jul 91

[Station commentary: "Watch Out, General Ponce: The Murderers' Fingerprints Are Everywhere"]

[Text] In December 1990, we accused Colonel Leon Linares of having murdered Captain Herrera Carranza, the deputy intelligence chief in Military Detachment 4. We charged that Capt. Herrera Carranza had been murdered to silence him because he was a witnesses to the massacre of the Jesuits and was familiar with the criminal conspiracy being carried out by the High Command. New evidence has surfaced in the trial. Capt. Alberto Parada, [words indistinct], appears before Judge Zamora and, among other things, declares that on the morning of 16 November 1989 he heard an officer reporting over the military radio that Ignacio Ellacuria had been killed when he resisted being arrested by soldiers. When asked whether or not there was another person who had heard this conversation, Capt. Parada answered yes and that this person was Capt. Herrera Carranza, precisely the officer killed in San Francisco Gotera by Col. Linares, commander of Atlacatl Battalion at the time of the crime. In the Escalon neighborhood, another captain who also knew of the military's plan to murder the Jesuits was shot in the back and killed in a confused incident.

Yet Cristiani still shamelessly criticizes Congressman Moakley, whose investigations condemn General Ponce and the High Command. Cristiani cannot wash the killers' hands because Cristiani himself was at the Staff Headquarters on the night the decision to kill the Jesuits was made, a plan that the U.S. Embassy had known for weeks, just as U.S. adviser (?Moakley) has asserted. Gen. Ponce says that Moakley lies when he says that whoever criticizes the Armed Forces is automatically sentenced to death. We can give Gen. Ponce names from a list of church people killed by the Armed Forces. The list is headed by Msgr. Romero, who criticized the Armed Forces. There are also the four U.S. nuns, Enrique Alvarez Cordoba, Jose Luis Colindres, Juan Chacon, Ignacio Ellacuria, and Segundo Montes, and thousands of other Salvadorans who were the victims of institutional crimes.

There are so many soldiers involved in the Jesuit murders that any clue will lead to the Defense Ministry and the Armed Forces High Command. Even though they continue to conceal their accomplices and the overwhelming evidence, sooner or later the whole truth will be revealed to the world. The moral corruption that permeates the Armed Forces will be brought to light.

Rebel Radio Charges Tortures, Murders

PA0907163191 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 9 Jul 91

[Text] We have information on the Armed Forces' actions in Morazan Department and we are quite alarmed by the long list, which summarizes the statistics—45 persons were arrested, 258 persons were detained, and 126 persons were stopped at roadblocks in June. We also received a long list of human rights violations. We see one that was perpetrated on 4 June against members of [name indistinct]—we are talking about Oscar Armando Paz, Jose Martinez, etc.—by soldiers of the Morazan and Guatajiagua Battalions. The men's heads were covered with hoods filled with quicklime and were beaten.

We go down the list and see another incident on 5 June. More people were captured—people were captured almost every day in June. We see what was done to Romualdo Jurado Argueta and Narciso Dominguez, from Canton El Limon and Sensembra. Romualdo was hanged from a tree and burned with tear gas. Later we see that more persons were captured on 6 June. Bernabe Fuentes, 45, was hanged from a tree by his feet and burned with tear gas and quick-lime.

We read page after page and we found similar actions everywhere. To quote another case, on 23 June, 20-year-old Teofilo Argueta Romero was recruited, taken to a barracks, stripped naked, blindfolded, and interrogated all night long. On 24 June, two sisters, Catedra Centeno Chicas and Gloria Centeno Chicas, were taken to a barracks. We see human rights violations all over the place—and the quick-lime. The hood filled with quicklime is one of the methods currently being used by Colonel Leon Linares in Cacaguatique.

In recent weeks, while the terms of a cease-fire are discussed at the negotiating table, Col. Leon Linares hunts down civilians in Cacaguatique. Approximately 650 persons have been detained this year by members of the 4th Military Detachment. The detentions are almost always followed by beatings and torture in which Leon Linares seems to be a specialist. Dozens of humble peasants in the Cacaguatique area have reported the use of hoods filled with quick-lime. They have been immersed in water, hanged by their feet, and burned with gases. It seems that the Gotera Barracks commander is racing against the wind, hastily implementing a bloody policy of repression before the UN commission, ONUSAL [United Nations Observers for El Salvador], arrives in the country to ascertain the San Jose Agreements on human rights, which Col. Linares keeps immersed in the quick-lime hoods that he uses on his victims. We urge the civilian population to, by all means, report the Armed Forces' terrorist actions, and we urge the UN office in El Salvador to concentrate its attention on the policy being implemented by Col. Leon Linares during the days just prior to ONUSAL's arrival.

Meanwhile, a new crime was perpetrated today by the death squads, which are part of the Armed Forces. Community leader Martin Ayala Ramirez was brutally murdered at the installations of the Poor Communities Council [CCM], an organization in which he was a member. Ayala Martinez' [name as heard] assassins were not satisfied with cutting his throat and leaving him tied and blindfolded near a column at the CCM installations. They also turned against his wife, Leticia de Campos, and cut off her arms and breasts, and inflicted critical wounds to her neck, head, and other parts of her body. Ayala's body was found by fellow CCM members, who noted that he had a deep cut in his throat.

Members of the Human Rights Commission hold the death squads responsible for this crime, while the CCM secretary general directly blamed the National Police for the crime. Moreover, political leader Ruben Zamora arrived at the site of the crime and said:

[Begin recording] The same forces that have prevented the country from achieving democracy for 60 years want to return to the early 1980's. They want to use the same methods they used then. We want to clearly state that there is a witness to this crime. The witness is currently at the hospital and we hold the government, and President Cristiani, directly responsible for the life of this witness. The witness must not be dragged out of the hospital, they must not try to kill the witness. We see the prints of military boots in this office; things can be investigated. [end recording]

Ruben Zamora held Cristiani responsible for the safety of Leticia Campos, who is receiving medical attention at a hospital. Both Ruben Zamora and Reverend Edgar Palacios have accused extreme right groups for the crime, because it is part of the efforts to preclude the possibility of achieving peace, and they said we will not allow this. Edgar Palacios also said:

[Begin Palacios recording] We believe that Mr. Bush acted wrongly when he sent the latest military aid, because he is simply encouraging the groups that oppose the achievement of peace with social justice and democracy that overcomes the problem of impunity. [end recording]

Leaders of the National Unity of Salvadoran Workers, UNTS, have stated that the crime is not an isolated action, adding that it is the culmination of death threats against several organizations.

Armed Forces Blamed for Murder

PA0907200491 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 9 Jul 91

[Station commentary]

[Text] The gruesome murder of Martin Ayala Ramirez, a member of the Coordinating Council of Poor Communities, and the torture of his wife, Maria Leticia Ramos [name as heard], are undoubtedly the result of a sinister

plan by the high command against the people's organizations, their leaders, and democratic opposition parties. This new and repugnant crime forms part of an orchestrated terrorist plan in which the Armed Forces use its squads of assassins and Arena [Nationalist Republican Alliance] government officials use threats and psychological warfare, accusing everyone of working for the FMLN [Farabundo Marti National Liberation Front].

We can cite many statements by [Defense Minister] Ponce, [President] Cristiani, [Deputy Chief of Staff] Vargas, [Arena leader] Calderon Sol, [Vice President] Merino, [Arena leader] Angulo, [Foreign Minister] Pacas Castro, among others, trying to justify beforehand the executions that the Armed Forces will carry out. Today, we see why Cristiani and Ponce negotiated with the peasants and promised to stop the eviction of people who had occupied land. It was a dirty maneuver to give the image of moderation in view of what was coming later, the implementation of their sinister plan of repression and terror.

This terrorist plan of the Armed Forces and the government is inseparably linked to the economic plan that Arena is imposing on the country and that is causing unemployment and poverty among thousands of Salvadorans. This plan is making the workers intensify their struggle, a struggle that the government is trying to stifle with repression. The military leadership and the coat and tie squads [escuadrones de corbata] will try to intensify this plan of terror before the UN's human rights verification mission arrives in the country. For this reason, the FMLN calls on the people to be alert so that at the same time that they denounce the government and the high command's terrorist plan, they will confront and defeat it with their mobilization and militant struggle.

The FMLN vigorously condemns the premeditated and cold blooded killing of Martin Ayala Ramirez and the torture of Maria Leticia Ramos, two humble members of poor communities. At the same time, the FMLN demands that those responsible for the crime be investigated, prosecuted, and punished. We directly blame Colonel Francisco Elena Fuentes and his squads of the 1st Infantry Brigade for the crime. We express our doubts about the innocence of the U.S. Embassy in the case. The evidence is clear. The murder occurred a few meters from the San Carlos garrison, at night, and in the midst of a heavy security operation, checkpoints, and mobile patrols by both the 1st Brigade and the U.S. Embassy. This brutal crime will not remain unpunished. The National Army for Democracy will issue the appropriate response which will stop the bloody intentions of the regime. At the same, we will firmly maintain our willingness to negotiate.

Honduras

President Announces Minimum Wage Decree Issued

PA0607231491 Tegucigalpa Voz de Honduras Network 2340 GMT 4 Jul 91

[Decree 28-91 issued by President Rafael Leonardo Callejas in Tegucigalpa on 4 July—read by station announcer]

[Text] The constitutional president of the Republic, after reviewing Decree 19-90 of 26 September 1990 with regard to the executive branch ruling on the minimum wage, has issued the following decree:

Whereas, Honduras is a constitutional state of law, a free democratic and independent republic that ensures its citizens the enjoyment of justice and economic and social welfare.

Whereas, according to Article 5 of the Constitution, the government should be based on the principle of participatory democracy, which, among other things, implies that all sectors that form part of the nation should contribute to the administration of the state so as to strengthen the progress of Honduras.

Whereas, Decree 69 of 15 April 1991 created the minimum wage commission, which consists of representatives of employers, workers, and the public interest, according to minimum wage laws that are currently in effect.

Whereas, following intense discussions with representatives of the General Central Organization of Workers, CGT; the United Federation of Honduran Workers, FUTH; the Independent Federation of Honduran Workers, FITH; the Confederation of Honduran Workers, CTH; the Confederation of Honduran Cooperatives, CHC; the Coordinating Council of Honduran Peasant Organization, COCOCH; the National Agricultural and Peasant Coordinating Board for the Development of Honduras, (CONACADH); and the Association of Honduran High School Teachers, COPEMH; as well as of the Honduran Council for Private Enterprise, COHEP, for the first time in the history of Honduras, a minimum wage agreement has been reached as contained in this decree.

Whereas, the conditions of the national economy cannot, for the time being, restore the purchasing power of the minimum wages that are currently in effect, therefore as soon as the circumstances allow it, new adjustments should be made. Therefore, according to Article 245, Attribution 42 of the Constitution, and of Articles 11 and 117 of the Public Administration Law and other minimum wage laws, we decree:

Article 1: To divide the national territory into three zones with minimum wages paid in the following manner:

Zone 1 consists of the municipalities of the Central District and San Pedro Sula and the Department of Islas de la Bahia; Zone 2 consists of the cities of La Ceiba, El Progreso, Choluteca, Santa Rosa de Copan, Puerto Cortes, Danli, Comayagua, Siguatepeque, Juticalpa, Tela, and La Lima; Zone 3 consists of the rest of the country. According to this decree, the minimum wage for workers will be stratified according to their economic activities in the following manner: from 1-5 workers; from 6-15 workers; and 16 or more workers.

Workers will earn the following minimum wage for each regular work day:

Economic activity: agriculture, forestry, hunting, and fishing.
1-5 workers: 9.25 lempiras in all zones.
6-15 workers: 10.85 lempiras in all zones.
16 or more workers: 12.35 in all zones.

Economic activity: mining of metals
1-5 workers: 13.90 lempiras in all zones.
6-15 workers: 16.10 lempiras in all zones.
16 or more workers: 18.40 lempiras in all zones.

Economic activity: mining of non-metallic minerals
1-5 workers: 12.30 lempiras in all zones.
6-15 workers: 13.30 lempiras in all zones.
16 or more workers: 14.50 lempiras in all zones.

Economic activity: manufacturing
1-5 workers: 10.70 lempiras in Zone 1; 9.90 lempiras in Zone 2; and 9.10 lempiras in Zone 3.
6-15 workers: 13.10 lempiras in Zone 1; 11.15 lempiras in Zone 2; and 9.90 lempiras in Zone 3.
16 and more workers: 15.30 lempiras in Zone 1; 12.35 lempiras in Zone 2; and 11.10 in Zone 3.

Economic activity: construction
1-5 workers: 9.20 lempiras in Zone 1; 8.85 lempiras in Zone 2; and 8.15 lempiras in Zone 3.
6-15 workers: 10.25 lempiras in Zone 1; 9.90 lempiras in Zone 2; and 8.85 lempiras in Zone 3.
16 or more workers: 12.40 lempiras in Zone 1; 11.75 lempiras in Zone 2; and 10.60 lempiras in Zone 3.

Economic activity: restaurants and hotels
1-5 workers: 10.80 lempiras in Zone 1; 10.15 lempiras in Zone 2; and 9.25 lempiras in Zone 3.
6-15 workers: 12.95 lempiras in Zone 1; 11.85 lempiras in Zone 2; and 10.60 lempiras in Zone 3.
16 or more workers: 15.85 lempiras in Zone 1; 13.90 lempiras in Zone 2; and 11.85 lempiras in Zone 3.

Economic activity: transportation, storage, and communications
1-5 workers: 13.10 lempiras in Zone 1; 11.60 lempiras in Zone 2; 10.35 lempiras in Zone 3.
6-15 workers: 14.50 lempiras in Zone 1; 12.85 lempiras in Zone 2; and 11.60 in Zone 3.
16 or more workers: 15.90 lempiras in Zone 1; 14.20 lempiras in Zone 2; and 12.85 lempiras in Zone 3.

Economic activity: financial institutions, insurance, real estate, and services rendered to businesses
1-5 workers: 13.20 lempiras in Zone 1; 11.30 lempiras in Zone 2; and 10.30 lempiras in Zone 3.
6-15 workers: 14.55 lempiras in Zone 1; 12.60 lempiras in Zone 2; and 11.40 lempiras in Zone 3.
16 or more workers: 15.95 lempiras in Zone 1; 13.75 lempiras in Zone 2; and 12.50 lempiras in Zone 3.

Economic activity: community, social, or personal services
1-5 workers: 11.85 lempiras in Zone 1; 9.90 lempiras in Zone 2; and 8.90 lempiras in Zone 3.

6-15 workers: 12.75 lempiras in Zone 1; 11.10 lempiras in Zone 2; and 9.90 lempiras in Zone 3.

16 or more workers: 14.50 lempiras in Zone 1; 12.35 lempiras in Zone 2; and 11.10 in Zone 3.

Economic activity: docks and wharfs; maintenance and repair of boats; loading and unloading of merchandise at seaports; long-distance pumping and refining of oil and its byproducts; maintenance and repair of railroad, electrical, gas, and water facilities; and companies that manufacture or market export products: 16.70 in all zones.

Article 2: The companies that have branches in different parts of the country will pay the minimum wage of the zone in which their branches are located, always bearing in mind the total number of workers of the company on a national level. Companies that are engaged in different economic activities will pay the minimum wage for the main activity of the company. The activity that generates the most income for the company will be considered the main activity.

Article 3: For a worker whose income is based on commission and a base salary, in no case will the addition of quantities earned be lower than the minimum wage established in each zone and according to each economic activity. If such is the case, the employer will be obligated to pay the difference.

Controversies that may emerge as a result of commission payment will be resolved according to what has been established in the previous paragraph and in Article 12 of 10 February 1975, contained in Decree-Law 121 of 18 April 1974.

Article 4: The present decree nullifies Decree 19-90 of 26 September 1990 in all conflicting areas.

Article 5: The minimum wage commission will meet at least once per month for the purpose of reviewing and recommending the necessary adjustments that concern the minimum wage based on the progress of the country's economy.

Article 6: The following decree will be in effect on 15 July 1991 and it will be published in the official newspaper, LA GACETA.

Signed in the city of Tegucigalpa, Central District

4 July 1991

[Signed] Rafael Leonardo Callejas Romero, constitutional president of the republic; Santos Porfirio Gomez Vallejo, labor and social welfare minister.

Nicaragua

Kuwaiti, St. Vincent Relations Reestablished

PA0607024591

[Editorial Report] Managua LA PRENSA on 29 June reports in a 125-word item on page 20 that, according to a Foreign Ministry communique, Roberto Mayorga and Muhammad Abu al-Hasan, Nicaraguan and Kuwaiti ambassadors to the United Nations, respectively, on 25 June signed a document establishing diplomatic relations between the two countries. LA PRENSA adds that in the near future Nicaragua intends to establish relations with Saudi Arabia, Bahrain, the United Arab Emirates, Oman, and Qatar.

Panama City ACAN in Spanish on 3 July reports in a 75-word item that the Nicaraguan Foreign Ministry announced that Roberto Mayorga and Kingsley Layne, St. Vincent ambassador to the United Nations, signed a document in New York on 28 June establishing relations between Nicaragua and St. Vincent and the Grenadines at a nonresident ambassadorial level.

Antidrug, Trade Agreements Signed With Colombia

PA0607033191 Managua BARRICADA in Spanish 1 Jul 91 p 5

[Text] Nicaragua and Colombia have ratified their intention to fight drug trafficking and money laundering and to control chemicals used to manufacture drugs.

The two governments set up a system of permanent coordination and consultation to establish a common front against drug trafficking.

The agreement was reached during Foreign Minister Enrique Dreyfus' visit to Colombia between 27 and 28 June when he held meetings with Colombian Foreign Minister Luis Fernando Jaramillo.

In addition to drug trafficking, they also discussed bilateral trade, technical, and scientific cooperation agreements, among other topics.

Dreyfus also met in a special audience with Colombian President Cesar Gaviria Trujillo, where he broached the idea of instituting a system of consultation and coordination over drug-trafficking matters.

According to the joint communique issued at the end of the visit, the foreign ministers decided at the meetings to broaden and strengthen even further the links of friendship, understanding, and cooperation between the two countries.

The minister also reviewed the main topics of common interest: strengthening the Rio Group, the next presidential summit due to take place in Cartagena, Colombia on 1-3 December, drug-trafficking problems, and trade.

Jaramillo reiterated the Colombian Government's decision to open the market to Nicaraguan products on a unilateral and not reciprocal basis. To this end Colombia will gradually apply a broad program of greatly reduced tariffs for Nicaraguan products until full liberalization is reached.

A basic agreement of technical and scientific cooperation was also signed in accordance with the economic and overall development objectives.

This agreement will take place through giving specialization scholarships, sending expert researchers and technicians to give advice, and sending or exchanging needed equipment and materials to fulfill technical cooperation projects and programs.

Panama

Colombia's FARC Allegedly Training Guerrillas

PA0507233491 Panama City EL SIGLO in Spanish 5 Jul 91 p 12

[Report by Aneldo Arosemena]

[Text] Approximately 100 Panamanians, presumably members of the 20 December Movement (M-20), are receiving military training from the guerrillas of the Revolutionary Armed Forces of Colombia (FARC). The training site is in the Turbo region, which is 45 minutes by boat from the Panamanian town of Puerto Obaldia.

The above information is based on intelligence reports to which the reporter had access and on intelligence investigations that are being conducted by the assistant district attorney's office on the subversive activities of Juan MacKenzie, an alleged M-20 activist who was arrested last week in Puerto Obaldia. A large amount of M-20 flyers were seized from him.

In addition, there has been heavy surveillance on the border area between Panama and Colombia by U.S. soldiers from the Special Operations Center, located in Ft. Bragg, North Carolina, as well as by members of the unconventional force known as Delta Force, which is made up of Green Berets and deals in special operations.

According to intelligence analysis, the alleged Panamanian guerrillas consist of members of the so-called "Trend" ["La Tendencia"] of the opposition Democratic Revolutionary Party (PRD), university students, former members of the defunct Panama Defense Forces, and former members of the Dignity Battalions, who were given basic military training in the final days of General Manuel Antonio Noriega's regime.

The key element that has led to the discovery of the alleged destabilizing action was found in the wake of the arrest on 26 June in Puerto Obaldia of Juan MacKenzie, a leader of the National Council of Dismissed Workers (Conade). The opposition leader was reportedly arrested by members of the U.S. 470th Military Intelligence Brigade and handed over to the Technical Judicial Police (PTJ). At first, MacKenzie was charged with posing as a PTJ agent. Later, it was discovered that he had a bag filled with M-20 flyers, which, according to MacKenzie, were given to him during a demonstration.

MacKenzie was held in jail, accused of using a false identity. Following a meeting at the Presidential Palace with the Council for Public Security and National Defense, headed by Menalco Solis, and the Institutional Protection Service (SPI), Assistant District Attorney Carlos Herrera Moran ordered MacKenzie's arrest because there was evidence linking him to the M-20.

Meanwhile, journalistic sources with access to intelligence information from the United States and Panama told this newspaper that the bodies of four to six people found near the Turquesa River in Puerto Obaldia could belong to presumed South American guerrillas killed by the U.S. "Delta Force," who for the past year has been conducting operations at the border through mobile bases.

When reporters asked Government Minister Juan Chevalier about alleged antigovernment actions, he replied that "there are people trying to disrupt public order."

Chevalier added that investigations are under way that could confirm the alleged existence of a clandestine group called the M-20. "I do not know for sure if there is a group called M-20, M-30, or M-40. What I do know is that there are people who want to disrupt public order," Chevalier stressed.

It was also learned that security measures have been reinforced to protect some ministers of state. One of them is Foreign Minister Julio Linares, who reportedly has received death threats from unidentified people linked to the M-20.

Intelligence sources informed EL SIGLO that the money to finance the antigovernment actions comes from Panamanians linked to the previous military regime who are currently in Mexico, Cuba, and the Dominican Republic. The visible head of this antigovernment plot is former legislator Luis "Lucho" Gomez, who is currently in Cuba.

Authorities discovered that Gomez has left Cuba and has met with opposition leaders in Mexico, Guatemala, and Santo Domingo.

There are several former members of the defunct Defense Forces in Guatemala, including former Major Federico Olechea, former Captain Jorge Eliecer Bernal, former Lieutenant Mario Ramos Ocana, and former Sub-Lieutenants Carlos Alberto Rumbo and Dario del Cid Cabeza.

Felicidad Sieiro de Noriega and her daughters are currently in the Dominican Republic. One of Noriega's daughters is married to the son of a military officer by the name of Beauchamp, former chief of the Dominican Joint Chiefs of Staff. Former National Bank Manager Rafael Arosemena is in Mexico.

Former Noriega Forces Blamed for Grenade Attacks

PA0907182491 Panama City LA PRENSA in Spanish 9 Jul 91 p 26a

[From the "In a Few Words" column]

[Text] I repeat [same charge made on 8 July]: The French fragmentation grenade [presumably thrown at Radio KW Continente on 6 July] belongs to a lot distributed by Noriega to the UESAT [Special Antiterror Service Unit of the defunct Panama Defense Forces, FDP] and the Machos de Monte [7th Infantry Company of the FDP]. It is exactly the same as the one thrown at the Arnulfista Party office in March 1990.

Criminals are not found here because nothing is done to locate them. All the bank holdups have been carried out by the UESAT, as the Public Force and the PTJ [Judicial Technical Police] know perfectly well. They show up at the site of the theft when there is not the slightest possibility of capturing any one of the thieves.

Argentina

President Menem Addresses Armed Forces

PY0607013491 Buenos Aires Argentina Televisora Color Network in Spanish 0013 GMT 6 Jul 91

[Speech by President Carlos Saul Menem at the annual Armed Forces fellowship dinner at the Air Force Officers Club in Buenos Aires—live]

[Text] Messrs. Chiefs of Staff, Officers of the Armed Forces, Comrades:

Once again we are gathered together at the Armed Forces fellowship dinner. This is, however, not just a normal occasion because this is a very special period for the country's institutional development and for the Armed Forces. This is a stage of refinement and improvement. We are implementing a project which entails what could well be the greatest and most decisive challenge for those who have chosen a military career.

Better than anyone else, the president of the nation appreciates the sacrifices that his men of arms have to make time and again. Your commander in chief personally suffers from his inability to satisfy the needs of his comrades as expeditiously as he would like.

You know very well that my fellowship with the Armed Forces is not purely formal. You also know that as commander in chief, I am the most loyal champion of our Armed Forces.

My administration and my people have watched the Armed Forces reivindicate themselves through deeds. Our history teaches us that the Armed forces participate and play a leading role in our nation's endeavors and my administration feels that this will be increasingly more so in the days to come. This, however, will be accomplished following certain specific reorganizations which were announced in December 1990 with the aim of honing our military instrument to the optimum level so that it will be able to cope with circumstances and rise to its destiny.

In the pursuit of this spiritual and cultural revival, I have, as the president of the nation and the staunchest commander in chief of the Armed Forces, ordered the staging of a military parade this year. Thus, I have decided not to end one of our most essential traditions through which the people bond with their beloved soldiers, although the appropriate austerity should be observed. This military parade will be held on 9 July in the illustrious city of Tucuman.

Comrades, this parade, which will be shared by the citizenry, has an intrinsic value and serves as an example. It epitomizes what I, as commander in chief, want for our Armed Forces. I mean an ever increasing presence of our Armed Forces in each and every corner of our fatherland, defending it and supporting it.

The reorganization ordered by my administration has this very same objective: To merge the Armed Forces in a single bloc bonded by the principles of unity and solidarity which inspired the Army of the Andes in the battles that it fought far from Buenos Aires as part of the quest for independence for the United Southern Provinces [the colonial name for Argentina].

Our actions should be based on two essential principles: the need to expand civilization and to occupy sparsely populated territories. These principles must today be harmonized with the need to pay close attention to professional and technical aspects and to make the best possible use of every means available for military deployment.

The redeployment of the Armed Forces also entails the resettlement of units because our administration believes that the defense concept is not static nor should it be; it should be creative and innovative. It should be readjusted to fit the geographic, military, and technological conditions that must be created in the country. By involving our men of arms in the process of change, to which the country is committed in each and every field, we are trying give them back their very raison d'etre.

As we announced some time ago, the funds obtained from the sale of unproductive and less useful assets of the Armed Forces will be used to modernize the branch. Argentina, the continent, and even the incipient new international order compel, as never before, our Armed Forces to become professional and efficient.

Our defense industry requires a new approach, one capable of producing a new approach to industrial design that would protect technological research and development that is sensitive from the point of view of military strategy. We must also incorporate capital and management techniques capable of modernizing the industrial infrastructure.

Comrades of all three branches of the Armed Forces: the Gulf War in which we were not merely spectators—let us make this very clear—in which we were not merely spectators as some people say, has given us a wealth of experience and has taught us a lesson from which, as your commander in chief, I urge you to take advantage. Not only was it an unprecedented war of maneuvers whose aftermath has had many different effects on the new power balance, it has also yielded a great deal of information that we can use for our benefit.

The Armed Forces are an effective and useful instrument for our foreign policy. In the light of the Gulf war experience, we should reformulate our strategic objectives. As soon as the Gulf war ended, outstanding world leaders and experts began speaking of a new international order. This implies recognition of the key role played by the Western world within the framework of growing influence of countries member of the UN Security Council.

We must join a collective security system whose main priority should be the interests of the international community as a way of attaining a stable peace and keeping conflicts to the lowest possible level of intensity. Let us, however, do this intelligently, without deceiving ourselves. Although peace is both possible and plausible, one can see that it is not an easy thing to achieve no matter how little one may know about the international political scenario.

We cannot be naive to the point of being sure that this so-called new order will prevail, without implementing severe measures to defend it.

We must incorporate the international status quo in any conflict scenario, because we are directly affected by this status quo. Thus, our Armed Forces, their reorganization, and the strategy whose objectives we are refining must consider this kind of information more than ever before.

Argentina has become part of this international status quo to the extent that it has entered the world of international decision-making and has a voice and a vote on the course that history should take.

Nothing is strange in the world any longer. As commander in chief, I see a picture of the situation with complex characters: The grave crisis in the Soviet Union; the Middle East question; the political and economic reconversion of East Europe; the PRC and the surviving spring of Beijing and Yugoslavia; the arms race; Islamic fundamentalism; the scourge of drug trafficking; and the threat to our ecology. These are a few examples of the new challenges.

The new configuration of this world must continuously invigorate our courage. The path toward peace is a one way street. This peace requires, however, a continuous struggle because it is full of hidden and visible enemies. Our continent shows this new reality: It shows an unequivocal urge for democracy and a willingness to coordinate the economies of its countries amidst circumstances marked by difficult economic situations and chronic backwardness.

When we speak of a new international order we must emphasize the beginning of a new international awareness, particularly a new national and continental awareness.

Who, with a hand on his heart, could deny the most clear signals of a collective willingness for change in Argentine society?

As president of the Republic, I decided at the beginning of my term that my government would resume diplomatic negotiations to recover our Malvinas Islands. As commander in chief, I declare that I will not stop trying to correct a historical injustice without contradicting our desire for a peaceful solution. I stress the increasingly urgent need to design a military strategy of international scope that harmonizes with our foreign policy, to rescue for our Armed Forces the modern concept of dissuasive power.

We are also formulating, perhaps for the first time at the light of new experiences, a new Antarctic policy in accordance with the requirements of a new decade. This policy will attempt to revive, in accordance with the specific international treaty, our sovereignty and our presence in that robust region. I want to pay homage and give my full recognition to the Argentine soldiers who raise the flag with courage and bravery, because they give an example to our entire community.

Military personnel and civilians have to recognize without doubt or euphemism that no nation, no matter what hopes are placed on the new international order, can ignore certain contingencies of conflict. These conflicts are not just the consequence of historic dialectic circumstances, they are the consequence of the human quality of men who are always their main actors.

Comrades, the reorganization we have started is linked to the new challenges of the decade. It was drafted by the Defense Ministry and it is on its way to becoming institutionalized through a draft bill that will be sent to Congress. Society has had to face structural reforms in all fields. The military institution could not avoid this new dimensioning. The decentralization and the regionalization of logistic support and the concentration of disperse elements in strategic bases are the beginning of this deep transformation. We could not carry this reform forward without your support and your commitment. They represent the greatest and most glorious battle that we have had to fight, facing the future, and definitively recovering the military institution's importance in the national and international scenario. I have reviewed with you this new circumstance.

I call on you, as commander in chief of an institution that has confirmed its value as a responsible and patriotic coparticipant in our national pacification, to help in this reorganization. Argentina and its people will be always grateful. Thank you. May God bless you.

Menem's Speech Evaluates Two Years in Office

PY1007011591 Buenos Aires Radio and Television Networks in Spanish 2316 GMT 8 Jul 91

[Speech by President Carlos Saul Menem from the balcony of the Tucuman Government House in San Miguel de Tucuman on 8 July—live]

[Text] Tucuman brethren, Argentine brethren, and beloved children: I want to tell you, with an earnest heart, about my great joy in being here with the wonderful Tucuman people. I have not come here to deliver a speech. As the great Argentine writer, Eduardo Mallea, said, Argentina is a barren desert crowded with words. I have come today to face my responsibilities as president, to address my people, to address the Argentine people.

I have come here to address all of you, but, more specifically, to address the meekest and neediest individuals. I have come to address those who hunger and thirst for righteousness, those who want work, and those who want a great and just Argentina. [drums, chants, slogans, applause]

I have been touring the entire Argentine Republic and I have found that everywhere, no matter how difficult the local situation, the meekest and those who still hope ask me—as you are asking me now—to move ahead without giving up or surrendering. I will do so, because I am not the president of a party, labor union, or company. I am the president of the Argentine fatherland, the president of all Argentines. [drums, chants, slogans, applause]

On the eve of Independence Day, I declare that Argentina is becoming more independent day by day. What are we gaining independence from? We are gaining independence from pessimism, lies, deceit, hypocrisy, false prosperity, and undue privileges. We want a hard-working, productive Argentina to once and for all rise again. [drums, chants, slogans, applause]

We have witnessed fundamental changes throughout the world. We are constantly referring to the fall of the Berlin Wall. I tell you that, day by day, a wall is being demolished in Argentina. We are tearing down a wall that prevents us from seeing what we have. A wall that prevents us from seeing our present and our future.

Every day, one more wall is demolished in Argentina because only thus will we allow the great values of the Argentine nation to once again begin rising. These values were never lost and will never be lost because, through the integration project being implemented with all the other Latin American peoples, the Argentines are doing their utmost to defend the sacred interests of the fatherland and the Argentine people, not the interests of any specific sector or group. [drums, chants, slogans, applause]

On this date two years ago, all of us became responsible for governing the Argentine Republic in a completely free and democratic atmosphere. Without being dramatic, I ask you to put your hands over your hearts and think with me about where we were two years ago. We were on the threshold of a civil war. Thank heaven we are now living in a civilized country that is growing.

Our country was ill as a result of hyperinflation, but now it is stable. Our country was falling apart, Argentine brethren, but now we are rebuilding that puzzle.

I ask you, in the name of God, to prevent the skeptics and those who worship other people's failures, the liars and the hypocrites from kicking over the table on which the puzzle rests. May the sun and truth again rise for all Argentines. [drums, chants, slogans, applause]

Perhaps another president addressed the nation from this balcony with political or electoral objectives. I tell you, however, that this is not the case with me. I am more interested in the nation and the people than in the elections. I have come here to talk to you clearly, as all of us Argentines must always talk.

I insist that we are now rebuilding our country. When I need people to help me in this task, I will not ask to which party they belong. I will simply ask them to behave as true Argentines and to help me end unemployment, corruption, crime, and all things that have led our country to this extremely serious situation.

I want to tell you [drums, chants, slogans, applause] that as soon as I took office—during a very difficult moment in our history—I asked you to please give me at least two and a half to three years for our efforts to produce results. To a certain extent, Tucuman and some other parts of the country are already harvesting the fruits of these efforts, but we still have a long way to go.

When I again address you from this balcony next year, the situation in the country will be different because a few hours ago, I signed a decree establishing that as of today, all official 9 July ceremonies will be held here in Tucuman. [drums, chants, slogans, applause]

Just as 25 May, our first cry of freedom in 1810, is naturally celebrated at city hall in the federal capital, our independence on 9 July, achieved through the efforts of all Tucuman people and all Argentines in general, will be celebrated here from now on.

I have also ordered that just as there is an Armed Forces guard at Buenos Aires City Hall, the Armed Forces will also be present at the historic house here in Tucuman where independence was founded in order to guard this historic landmark and pay homage to the men, our founding fathers. [drums, chants, slogans, applause]

I want you to understand me. [drums, chants, slogans, applause] I want you to see me as just another member of the Argentine family. I want you to see me as just another member of the Latin American family. What I mean is that I have not come here to speak as a magician, less still as some sort of God. I have not come here to talk to you like some sort of superman. I do not want to lie to you.

Argentina has been living a life submerged in lies. We have been living in an unreal country that we are now cleansing of lies. There has been the lie of distributing nonexistent wealth. There have been lies to cover up the shortcomings of leaders. There have been lies so as not to pay taxes. There have been lies that placed the state at the service of the powerful and the privileged, completely forgetting about those who work, those who put their shoulders to the plow to wrestle produce and wealth from the land.

Unfortunately, all this wealth has been going to other people and not to those who do the work. I know that we are going through difficult times. I also know, however, that it is necessary to make one more sacrifice for the fatherland. We Argentines must suffer one last time and

I ask you for just a little time so you can stop suffering for the rest of your lives, so you can be happy and build a great fatherland with happy people. [drums, chants, slogans, applause]

We have instituted total and absolute freedom. Never before has Argentina enjoyed so many public liberties. There is freedom to express opinions, to work, to invest, and even to slander.

We chose the path of full respect for the Constitution and the laws. We do not, as some people are saying, use these laws to persecute anyone for political reasons. We will never do it because if anyone was persecuted in Argentina, we were—especially this president of yours who had to put up with five years in prison so freedom in the framework of democracy could return to Argentina. [drums, chants, slogans, applause]

Brothers and sisters, I tell you that we have made mistakes. It is true that we have made some mistakes, but we have done so in good faith. We have never had any secrets nor have we tried to deceive anyone. We simply thought that we were doing the right thing. We have had the courage to correct whatever needed to be corrected regardless of the harshness of the measures that had to be implemented.

I said that we would engage in major surgery without anesthetic. We are doing this. Best of all, we are taking the lids off the cans of worms that must be uncovered because nobody wears a halo in Argentina. The Argentina fraught with privileges, gifts, and sinecures is gone forever. [drums, chants, slogans, applause]

Nobody in Argentina wants to tighten their belts simply for the sake of tightening their belts. I want to be honest with you: This belt tightening is aimed to putting an end to a declining, stagnate, and, I repeat, corrupt Argentina.

I want to tell you that 35 years ago Argentina was one of the 10 best countries in the world. However, we are now in 85th place and going down.

Let us, however, stop blaming foreigners. Let us accept the blame: Argentina is the way it is because of us Argentines and especially, us leaders, for we have been unable to understand our people's mandate or to manage the assets with which the people have entrusted us. [drums, chants, slogans, applause]

We are reorganizing the state. We have instituted economic freedom within the framework of a market economy. We are doing away with the fiscal deficit in order to reach the point that you have reached here in Tucuman, where at least the salaries are being paid on time, as they should be, and measures have been taken to change the face of this beloved and glorious Tucuman Province, which, thanks to you and those who represent you, is on its way to becoming one of Argentina's most prosperous provinces.

I want to tell you, however, that I have not forgotten solidarity, that I have not forgotten social justice. I have not forgotten nor will I forget those who carried me to power—the poor, the neglected, the totally humble, those who, to paraphrase the Gospel, thirst and hunger for justice.

This is their administration. This is your administration. It must be theirs and yours forever, based on a firm social justice and not on a social justice with feet of clay, a demagogic, election-oriented social justice that turns its back on promises and falls apart at the first gust of wind, at the first obstacle.

Brothers and sisters, the president of all Argentines is the first to suffer and endure bitter disappointments. I put up with them. They are part of my job and my sacrifice. This sacrifice, however, is for a better future, a better fate—the fate of greatness for the fatherland, the people, and all Latin America because we have raised the banner of Latin American integration.

Tomorrow, a ceremony that has no precedent in Tucuman Province will mark the 9 July celebrations and other Latin American presidents will be present—the brother presidents of Bolivia, Paraguay, and Uruguay—so that together we can raise the banner of freedom, independence, and social justice. [drums, chants, slogans, applause]

I repeat, everything that we are doing is aimed at returning Argentina to health, to curing it. In the name of God, we want to fulfill pensioners' demands but the social welfare system that we inherited is falling apart under a $7 billion debt. We want to satisfy the teachers, the policemen, the Argentine mothers, the children, and the young. You must understand, however, that this president and his team cannot accomplish the miracle of reversing 30 years of mistakes and disagreements in Argentina in just two years. [drums, chants, slogans, applause]

I have not come here to ask you for patience and resignation. I have come here to simply ask you to have hope, in the name of God. During my electoral campaign, I told you to follow me; now I tell you that I am with you.

Let us unite our efforts for this task of rebuilding the great fatherland dreamed by our founding fathers, our San Martin, our Belgrano, our Lamadrid, and all those who gloriously traversed the vast lands of our country at the cry of freedom, independence, and work, and who were inspired by courage and great decisions.

Keep in mind that I have asked for just three years. On 25 May 1810, during equally difficult times for Argentina, six years had to go by before we could declare independence and free ourselves from the bonds of the imperialism of those days despite what many Argentines, including General San Martin, wanted.

That imperialism left a great deal in Argentina. That imperialism—if we are to use a term that I do not like for this occasion—or colonial power brought the Gospel to

these lands, the word of God, the Holy Cross, instruments of redemption, and symbols of the permanent validity of the Church's social doctrine, which preaches social justice, equality among men, love, peace, and especially, work and production. [drums, chants, slogans, applause]

I repeat that we are doing whatever is necessary to fight corruption and any other type of crime. Those who fail to pay their taxes sin by lacking compassion, since they are sentencing pensioners, teachers, and workers to hunger.

You too must be on guard to constantly report those who take advantage of the state but fail to even pay their taxes so the state can carry out the duties that the people have entrusted to it.

We have decided that from now on those who do not pay taxes—and there are many of them—are guilty of a crime and will go to jail to pay for their lack of compassion toward the people, especially those who need it more. [drums, chants, slogans, applause]

I would like to list a few of the major things that we have accomplished during these two years. We took power amid hyperinflation that was averaging over 200 percent per month, almost 3,000 percent per year. Thus, when a worker received his salary he had nothing the next day without even spending a cent because of the hyperinflation.

Now, at least, we are in a process of stabilization and have an average inflation of 2.5 percent per month. We are trying to definitely eradicate this veritable tax, which corrupts and undermines chances for growth, development, and an honorable life for those who work and produce.

We are also getting things in order. We want to get our domestic affairs and our international affairs in order. Those of us who have had the good fortune to visit other countries know very well what people there thought about Argentina until a short while ago. Now, on the other hand, one should visit any country in the world just to hear people talk about Argentina and say good things. We are looked upon as we should be looked upon, as we should always be looked upon—as a serious, responsible country free of hypocrisy.

We comply with our international obligations and we are trying to comply, once and for all, with the demands of our beloved people. We have had to resume relations with other countries of the world. We are integrating with other Latin America countries and we will make Latin America a fair, free, and sovereign fatherland for all Latin Americans and for all the peoples in the world. [drums, chants, slogans, applause]

I am sure you will remember the years and days that have fortunately gone by—the gamblers' Argentina, the Argentina full of people who lived with a piece of paper and a pencil in their hands trying to find out what bank or what financial company would pay them more for their time deposits. That Argentina, an Argentina of Russian roulette, of financial speculation, is gone forever. Only those who work and produce should live here. Speculation and usury are out once and for all. [drums, chants, slogans, applause]

When I took power, I made three promises. One was national unity, and we are certainly achieving this. All by myself, I have had to make decisions than nobody dared to make. We have lived through very difficult times here in Argentina and I can definitely tell you that the moral authority derived from five years in prison has given me the backing and support to implement the measures you all know about.

We have brought back from Europe the remains of Juan Manuel de Rosas and we have ceased squabbling over Juan Manuel de Rosas, one of Argentina's great heroes.

We had to pardon and take responsibility for the pardons because I follow the teaching of Juan Domingo Peron that for an Argentine, nobody can be better than another Argentine. I ask the people to follow me in the task of strengthening national unity.

I also talked about a productive revolution and believe me, the productive revolution is rolling on—with some difficulties, but rolling on nonetheless. We are slowly growing and at the end of the period that I have asked from you, things will be a great deal better in Argentina.

We have spoken about Latin American integration. Why? Because there is not a country in this part of the world could possibly have a destiny of individual greatness. Separate we will be a total failure. If we unite with Chile, Paraguay, Bolivia, Brazil, Uruguay, and all the Latin American countries, we will march toward continentalism and universalism.

This is the case with the European countries. Ideologism is definitely something of the past. Let us no longer be deceived by false beliefs, some of which belong to the left, some to the right, and some to the center. Let us no longer talk about the Third World. There is one single world and the Argentine Republic is in this world trying to grow and become increasingly powerful. [drums, chants, slogans, applause]

This is why, during these transcendental moments for the Argentine Republic, on this 9 July that we greatly cherish, I want to once again ask you to continue advancing hand in hand. From door to door, family to family, province to province, let us continue advancing, because we have already chosen a path and must not look back.

Let us stop looking back at the past. Otherwise, we will experience what the Bible tells us: Lot's wife turned to salt because she looked back. From now on let us look to the future where there is a beam of light, where the sun is shining, where Argentina stands as a great country for

all Argentine citizens and for all men of good will who want to come and help us grow. [drums, chants, slogans, applause]

One achieves absolutely nothing in life without work, without making an effort, without willpower. This is why I humbly tell you that I have great confidence in you, and I tell you and reiterate that I will return to Tucuman as many times as may be necessary. I want you to know that I love you, I want you to know that my heart beats with you and with my fatherland because you belong to the Argentine Republic's great heart. [drums, chants, slogans, applause]

We have already mentioned the need for understanding through dialogue. We are engaged in dialogue. I reiterate that many times, lies, attacks, or insults make no difference. The people's voice, which is God's voice, is the only serious, responsible, and true voice. Many times people write things that are completely alien to what the people think.

What we read is one thing and what we feel is another. I feel that the people are willing to wage the final battle for the fatherland's greatness and the Argentine people's happiness. [drums, chants, slogans, applause]

The Act of Independence declares the independence of the united provinces of South America—the united provinces of South America. To end this speech, I want to ask you to support my thoughts with your deeds and your actions, as it should be, because we are giving the world a new, glorious nation. May God bless you. Happy 9th of July. I embrace you with my heart. Thank you. [drums, chants, slogans, applause]

Three Latin-American Presidents Visit Tucuman

To Participate in Ceremonies

PY0907142491

[Editorial Report] Buenos Aires TELAM in Spanish at 1255 GMT on 9 July reports that Uruguayan President Luis Alberto Lacalle arrived in the city of Tucuman at 1233 GMT to participate in the ceremonies of the 175th anniversary of Argentina's independence. Lacalle was met at the local airport by Foreign Minister Guido di Tella and other authorities.

Buenos Aires TELAM in Spanish at 1308 GMT on 9 July reports that Paraguayan President Andres Rodriguez arrived at the Benjamin Matienzo International Airport, Tucuman City, at 1240 GMT. Rodriguez was met by Foreign Minister Guido di Tella and other authorities.

Buenos Aires TELAM in Spanish at 1310 GMT on 9 July reports that Bolivian President Jaime Paz Zamora arrived in the city of Tucuman at 1245 GMT and he was met by Foreign Minister Guido di Tella and other authorities.

Paz Zamora, Lacalle, and Rodriguez will participate today in the ceremonies commemorating the 175th anniversary of Argentina's independence.

Presidents' Departure Reported

PY1007020191 Buenos Aires TELAM in Spanish 2220 GMT 9 Jul 91

[Text] San Miguel de Tucuman, 9 Jul (TELAM)—Bolivian President Jaime Paz Zamora, Paraguayan President Andres Rodriguez, and Uruguayan President Luis Lacalle, who participated in the 175th anniversary of national independence with President Carlos Menem, returned to their countries just before 1830.

Guido Di Tella, foreign minister, and Eduardo Bauza, secretary general of the Presidency, were at Benjamin Matienzo Airport to bid farewell to the presidents.

Menem Speaks in Honor of Uruguayan President

PY0907140291 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2212 GMT 8 Jul 91

[Text] Buenos Aires, 8 Jul (NA)—President Carlos Menem today reaffirmed his government's decision to "increase cooperation with every country in the world to prevent drug addiction and to eradicate drug trafficking." He also called for regional integration because "it is the only way to achieve economic and social development for our peoples."

Menem said that the Latin American integration policy has experienced an important change "with the rebirth of the democratic processes in our countries." He added: "Since the middle of the 1980's the integration mechanisms have been receiving an impetus."

President Menem spoke at noon at the Plaza Hotel where he gave a luncheon in honor of Uruguayan President Luis Alberto Lacalle Herrera.

Menem considered "an unprecedented initiative" the constitution and implementation of the Common Market of the South (Mercosur), adding that "this process will yield the expected results in the scheduled period only if we assume our respective responsibilities in the gradual harmonization of our economic and monetary policies."

Menem said he hopes that "this integration impetus will include, in the near future, other countries of the region, in the ambitious goal of American integration."

Referring to the illustrious guest, Menem said that "Uruguay and Argentina are also facing the challenge involved in the great project of binational undertakings." He then recalled that "the integration of our energy systems has begun with a pioneer project in Latin America: The Salto Grande hydroelectric dam."

Menem added: "In the physical integration sector, the Buenos Aires-Colonia bridge is becoming a reality, not

just for our land communications but also for the new economic policy that will be implemented through the Mercosur."

He went on to say that the La Plata River "has traditionally been a natural integration means between our two lands. With that responsibility, we must face the dredging, the marking with buoys, and the maintenance of its channels, which we expect to carry out in the near future."

"In the regional sector, the Parana-Uruguay river project represents a very important initiative for the development and integration of the River Plate Basin countries," Menem said.

He added, "The river project will constitute the basis for not only a real physical integration, it will also become, undoubtedly, a basic transport factor for the effective development of the Mercosur."

Menem concluded by saying that Argentina "pays priority attention to all integration efforts" with Uruguay, "convinced that this process will develop from the decision that will emerge from the joint desire of the two governments and peoples of Uruguay and Argentina."

Lacalle on Menem's Remark

PY0907154891 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1446 GMT 9 Jul 91

[Excerpts] Buenos Aires, 9 Jul (NA) — Uruguayan President Luis Alberto Lacalle has admitted that a remark by his Argentine colleague, Carlos Menem, about the laundering of narcodollars in Uruguay "was not very pleasant."

Lacalle said: "I told him that he could not, if that was his intention, say that money laundering occurs in Uruguay."

He defended his country's banking system, which "is honest, honorable, and prestigious." [passage omitted]

In an interview published in today's edition of PAGINA 12, Lacalle stated that "there have been no significant withdrawals" of money that Argentines have deposited in Uruguay. [passage omitted]

Brazil

Aeronautics Company To Build Planes in Iran

PY0807155091 Rio de Janeiro O GLOBO in Portuguese 7 Jul 91 p 51

[Text] Sao Jose dos Campos, Sao Paulo State — The project, that Embraer [Brazilian Aeronautics Company] was created in 1969 and which introduced Brazilian products into the international aeronautical market 15 years ago, will begin to export technology to Iran. The negotiations are in charge of Ozires Silva, future superintendent of Embraer, and they foresee the installation of an assembly line for the 19-seat Bandeirante turboprop plane in that country.

Ozires Silva will also negotiate with Iran the sale of 15 Tucano military training planes in a contract worth $50 million. Iranian training schools already have 20 Tucano planes. When Silva returns to the country on 10 July, he will announce the details of the negotiations.

A team of Embraer technicians has all the information on the Bandeirante plane, which flew for the first time in 1968, and is now preparing to move machine tools, primary parts, and engineering systems to Iran. The Bandeirante has not been mass produced since 1987. Each one will cost $2.5 million.

The Bandeirante assembly line was being negotiated with the Motortec Enterprise of Rio de Janeiro, but market difficulties caused these talks to fall through. Embraer never completely ceased production because it has a contract with the Brazilian Air Force until the end of the year to supply one Bandeirante per month. These planes are used for maritime patrols and are equipped with radar, weapons control and vessel identification system, and missiles for self-defense. These planes cost approximately $10 million each.

Debt Negotiator Meets With Bankers in London

PY0907120091 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 8 Jul 91

[Text] Pedro Malan, Brazilian Foreign Debt negotiator, met today with 100 bankers in London. Following the meeting he said: The attitude of the foreign bankers has been more favorable for Brazil since we resumed payment of overdue interest.

Malan held a news conference during which he said that the results of his trip to Europe, the United States, and Japan are excellent. Although, he did admitt that the bankers do not expect a magical solution to the Brazilian foreign debt problem.

[Begin Malan recording] We have decided to begin this second stage with a constructive, cooperative spirit in the quest for a mutually satisfactory solution in the shortest possible time. We insist, however, that any agreement must be feasible and must allow us to preserve our economic stabilization program and resume our growth. [end recording]

* Formation of Joint Ventures With PRC Viewed

91SM0396B Sao Paulo GAZETA MERCANTIL in Portuguese 14 Jun 91 p 6

[Article by Livia Ferrari]

[Text] With a trade deficit with Brazil of $635.5 million, one of the objectives of the Peoples Republic of China delegation visiting the country is to increase the volume

of Chinese exports to the Brazilian market, primarily merchandise from the textile sector, light industry, chemicals, and mechanical and electronic products. Last year, China's foreign sales to Brazil were only $82.9 million, significantly less than the $300 million exported in 1987. Meanwhile, Brazilian sales to that market totaled $718.5 million.

However, in addition to balancing Brazil-China bilateral trade, the delegation led by Economic Relations and Foreign Trade Vice Minister Tong Zhiguang also intends to initiate agreements to form joint ventures in the areas of telecommunications, aviation, aerial photography, services, satellite launching, and food production, particularly coffee, cacao, soybean and orange juice. "China and Brazil are both developing countries and in many respects their economies are complementary," noted the Chinese Vice Minister during a meeting with Brazilian business leaders at the National Confederation of Industries (CNI). According to him, in the process of opening its economy the Government of China has encouraged foreign investment in the country and Chinese investment abroad.

Tong Zhiguang, who continues today on to Brasilia, where he will participate in the sixth meeting of the Joint Brazil-China Commission, emphasized that the goals established in the 1991-95 five-year plan call for 6 percent annual growth in the Chinese Gross Domestic Product (GDP). 1990 growth was 5 percent. And in Zhiguang's opinion, that rate of economic expansion has been reflected in an increase in the domestic demand for oil, and consequently in the reduced availability of exportable surpluses of that product. That fact explains in large part the growing and successive trade disequilibrium between China and Brazil. China produces 120 million tons of oil per year, a product that in 1987 accounted for 90.9 percent of total Brazilian imports from that country. In 1989 the share fell to 61.9 percent, declining from two million tons of Chinese oil imported to the current 750,000 tons.

* New Aircraft To Compete in Bid With U.S.

91SM0382D Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Jun 91 p 11

[Article by Roberto Godoy]

[Text] Six months ago only birds could be seen flying on Fridays at Embraer [Brazilian Aeronautics Company] in Sao Jose dos Campos; working a reduced work week, the company closes its assembly lines on weekends. Two days ago, however, the attack flight of a solitary hawk that had been using the deserted patios of the factory as his killing field was disturbed by the loud roar of another hunter: the engine of the new Tucano-H aircraft, known as the super-Tucano. The engine was being flight-tested for the first time. Embraer plans to enter the plane in December in competitive bidding to supply 800 units to the United States Navy and Air Force—a megacontract estimated to be worth $2.5 billion.

That is not, however, Embraer's only offensive in the military aircraft market. According to a statement made in London by high official of the binational trading company AMX International—set up by Brazil and Italy in 1987 to promote sales of a fighter-bomber manufactured jointly by the two countries—the consortium composed of the Italian companies Alenia and Aermacchi, plus their partner Embraer, will announce next week a proposal to sell an unknown number of AMX jets to Thailand. For three years now, Djakarta's [city as published] air force has been considering buying at least 35 planes specialized in low-flying ground attacks, with a high capability of penetrating beyond enemy lines and flying under the protection of sophisticated electronic systems—in other words, a plane with the same basic specifications as the Italo-Brazilian model. If the size of the actual order as originally conceived, the deal could result in sales of about $850 million.

Although involved in transactions worth 10.6 trillion cruzeiros, Embraer has still not received word from the federal government on the final version of a plan for stretching out repayment of its $600 million debt. Monday, Superintendent Joao Cunha met in Brasilia with Minister of the Economy Marcilio Marques Moreira's team, and returned to Sao Jose dos Campos with "an agreement all but wrapped up."

None of this threatens the progress of the Tucano-H program. The plane is the second generation of a training turboprop craft of which more than 600 units have already been sold worldwide. The prototype is 1.5 meters longer than the standard model, so the engine tests were made in a plane that was already built, but had its nose lengthened by 30 cm and a one-meter ring added to the rear section of the fuselage. The engine, a Pratt & Whitney 6A-67R, 1,600 ShP, coupled to a five-blade Hartzel propeller, will provide maximum horizontal speed of 630 km/hr—or more than 700 km/hr in a dive. The gross weight of the EMB 312-Tucano-H will probably exceed 2.8 tons but its maximum range, on the order of 2,000 km, will be preserved.

Embraer plans to enter the super-Tucano in the Joint Primary Aircraft Training System bidding competition opened by the Pentagon to replace the old T-37s used by both the U.S. Navy and the Air Force. Cunha thinks that the "pressure from the American industry to let the contract to a local company will be enormous."

The first flight of the new version of the Tucano is scheduled for the second half of July—but the firm's marketing group is already promoting the configuration as a low-cost alternative for light use in attacks on ground positions, especially in a jungle theater of operations. "This is a concept that is being revived," Cunha believes.

The Brazilian Air Force (FAB) is watching the development of the Tucano-H with the idea of possibly converting at least 24 of the conventional aircraft in its current fleet and assigning them to air defense along the

northern and western edges of Amazonia, where a mobile radar system is being set up. FAB is primarily concerned about the use of Brazilian airspace for clandestine flights.

*** Embraer Head Foresees Firm's Recovery**

91SM0382E Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jun 91 p 4

[Interview with Embraer Superintendent Joao Cunha by O ESTADO DE SAO PAULO reporter Roberto Godoy at Cunha's office in Sao Jose dos Campos; date not given. First five paragraphs are O ESTADO introduction.]

[Text] Sao Jose dos Campos—The well worn leather-covered appointment book used by Attorney Joao Cunha, a foreign trade specialist who accepted the position of superintendent of the Brazilian Aeronautics Company (Embraer) in December, shows only one commitment for Saturday 15 June: announcing to the international press, at the Embraer Aviation Internationale (EAI) hangar in Paris, that the firm has recovered financially and resumed its regular production activities. Cunha, who took over at Embraer when it had an accrued debt of $600 million, is working with Minister of the Economy Marcilio Marques Moreira's team to conclude an agreement extending to five years, from the present 180 days, the deadline for repaying $400 million of this debt. "With revolving debt held at $200 million, Embraer is back in the market," he said, jubilantly.

At age 41, Joao Cunha likes to say that he keeps one eye on each of two products that he finds equally attractive: the high-technology commercial aircraft and the herd of Nelore Zebu steer he raises on a ranch at Icem, near Sao Jose do Rio Preto. Neither of them would now sell at a satisfactory price: the EMB-120 Brasilia 30-seat turboprop plane—considered the world's best in its class—is being marketed at only $100,000 over its production cost of $7.5 million. "It is not much, but it is a victory of sorts: in January the company did not even know how much each Brasilia was costing it," he says. The problem is more severe in the case of his cattle. An animal ready for slaughter is quoted at 95,000 cruzeiros, while a young steer still being fattened up cannot be bought for less than 90,000 cruzeiros. In both situations Cunha confesses that he finds himself in the uncomfortable position of someone who has to pay for the privilege of working.

While preparing for privatization of Embraer and trusting that the cattle market will improve, Cunha administers the program to develop the first Brazilian commercial jet—the 50-passenger EMB-145, redesigned and expected to fly in November 1992. The superintendent, the first of the organization's officers not to have been present at its founding and a man who has no ties with the aviation world, also ordered a revision of the plans for the CBA-123 Vector, an Argentine-Brazilian enterprise intended to replace the EMB-110 Bandeirante. A deluxe executive version is being readied quickly for presentation to potential customers from five countries.

Cunha's triumph, however, is the EMB-145, produced in association with other companies that will be responsible for different parts of the plane—cabin, wings, the airfoil end plates—all to be brought together at the hangars in Sao Jose dos Campos. The partners would receive a proportional share on each sale (Embraer confirms receipt of 337 letters of intent to purchase the jet), depending on the extent of their role in building the plane.

Cunha spoke to O ESTADO on the same day that he received a Soviet delegation from Agencia Novosibirsk Aviation Industrial Enterprise (Naia). The Russians gave him a model of the SU-24 fighter-bomber and a formal expression of interest in binational cooperation.

[Godoy] Because of its special nature, Embraer is not just an ordinary state-owned enterprise. How does this circumstance affect the privatization of the company?

[Cunha] In fact, Embraer cannot be treated just like the other government companies. I have discussed this and argued that it is not feasible to carry out its transition from a state-owned enterprise to a private company by throwing it into a common grave with all the others. After all, people who buy airplanes do not go about it in the same way as someone who is buying a ton of iron or steel. There is a unique relationship that involves constant technological development, long-term investments, a lengthy gestation period and—above all—mutual trust.

[Godoy] The federal government, through the Ministry of Aeronautics, has always considered Embraer to be intimately associated with national security. Will that doctrine be changed, then?

[Cunha] After privatization the government will not have to make the everyday decisions or have a role in routine planning. But because it is the only company of its kind in Brazil, the government will probably reserve a "golden share" under an agreement with the shareholders, in order to permit rapid mobilization in event of strategic necessity, or to facilitate the company's involvement in some specific government projects. The ideal situation, really, would be for Embraer to start operating like the world's most successful aircraft factories do: winning its own markets, negotiating its own lines of credit, developing technological capabilities and offering those services even—but not as a priority—to the government itself.

[Godoy] Aren't Embraer's accrued debt and economic problems a complicating factor in this equation?

[Cunha] Our debt, about $600 million, is all extremely short-term debt, except for $180 million. There are commitments to suppliers, banks, and, basically, some 180-day foreign trade operations. A large part of it is

owed to the federal government which, if it agrees to reschedule the due dates, would give us tremendous relief.

[Godoy] What kind of change would that rescheduling make in the composition of the debt?

[Cunha] Embraer needs terms of at least five years. Let me explain: our product has a long gestation period. In order to re-enter the market and compete with a little bit of breathing room, the company needs not only a restructuring, but freedom from constant worry about short-term liabilities. An agreement was being discussed and worked out with former Minister Zelia Cardoso de Mello's team. Now I am starting the whole negotiating process over again—with good prospects of success, of course.

[Godoy] The uncertainty surely has a negative effect on customers. What is Embraer's strategy for overcoming the unfavorable atmosphere?

[Cunha] The bleak atmosphere is not only external; it also affects our domestic public. Still, it is amazing what a good image Embraer has outside Brazil. Despite the crisis, there has not been a single cancellation of a purchase option, and not one postponement in our product sales. The firm enjoys remarkable credibility.

[Godoy] Is that solid reputation the result of Embraer's managerial and commercial policies?

[Cunha] Actually there are a significant number of airline companies all over the world that work with us. This simplifies things: it is not a question of believing in the corporation or not—they simply have to believe, because they depend heavily on Embraer in order to make money, so it is a good thing for everyone that our problems of the moment are being solved quickly.

[Godoy] If that is true, wasn't the cancellation of Embraer's participation in the Le Bourget Air and Space Show in France a disastrous decision?

[Cunha] I don't think so. Although the decision not to participate at Le Bourget has been reviewed—we will be there for a press conference on 15 June—we will have to stay within Embraer's means. To spend $2 or $3 million on the exhibition, despite its mystique and prestige, would be irresponsible, given our present situation.

[Godoy] What will be the key point of Embraer's presentation at that meeting with aviation writers from all over the world?

[Cunha] I want to have the satisfaction of being able to announce that the company's business and financial problems have been solved, that the overhaul of this sector has been completed. In practical terms, this means resuming production, staying on schedule with our commitments to suppliers, customers, employees, and shareholders, and—especially—meeting the delivery dates on our aircraft, including the EMB-145 passenger get.

[Godoy] What is the formula for accomplishing this magic trick?

[Cunha] No magic wand can make a $600 million debt disappear overnight. What I am trying to do, and there is an excellent chance I will succeed, is to rearrange things so that $400 million of it can be stretched out over the long term. Embraer can easily live with a $200 million debt. That level is even somewhat lower than the ceiling on revolving debt that enables us to pay off something and reduce the size of other obligations. All that is perfectly feasible.

[Godoy] What kind of shape was the company in when it was handed over to you in January?

[Cunha] What we had here was a state-owned enterprise that was devoted basically to technology and production, building aircraft at the so-called state of the art with the most advanced know-how and materials, but with no regard for the costs that could be incurred. The problem was that from the management point of view, we had distortions on a grand scale, clearly manifested in inefficient use of funds, personnel, equipment, and raw materials.

[Godoy] Does that statement also apply to its financial management?

[Cunha] Just as an example: in 1990 Embraer estimated it would have sales of more than $900 million. Late in the year our efforts were thwarted by a variety of circumstances, and final sales were about $580 million. At that point, company inventories of products in progress, raw materials, and finished final products totalled about $455 million. That means, by and large, that the items on hand were equivalent to the value of the company's annual turnover—a situation completely out of kilter, as you can see.

[Godoy] When did it become apparent that the company's situation was really serious?

[Cunha] On 2 January, the first time I sat down at the conference table with the directors. I asked each to make a presentation on his powers, jurisdiction, and what he was doing. The picture looked nice, everyone talking about good performance in foreign markets, etc. Suddenly, however, I interrupted them and asked: "Fine. But how much does a Brasilia cost us to make?" No one knew. Each had his own estimate, and they were all wrong. That was a very serious error. If the market will buy the plane at a certain price but not for more than that, it is obvious that if our production costs are higher than that ceiling, collapse is inevitable.

[Godoy] Did that kind of distortion extend to project development, traditionally an efficient division of Embraer?

[Cunha] The answer is yes, inasmuch as short-term funds were being invested in that area. When you are talking about the aircraft industry, it takes at least four years between the time the first lines are made on the drawing

board and the initial phase of manufacture. Well, to use 180-day funds to finance a four-year project that is going to be mass-produced and sold for ten years is suicidal. That was what was being done here, routinely.

[Godoy] In your survey, did you find instances of corruption or administrative abuses?

[Cunha] There were some calamities, a certain lack of control. Last November the company laid off about 4,000 employees, but the reduction in the work force had no effect at all, which proves that there was a terrific amount of "fat" in the company. One typical instance of how far things had gotten out of control was found during the checkup I ordered done—for the first time—of the kinds of materials usually auctioned off—junk, theoretically. Very well. We found sealed cartons of extremely expensive aircraft panels in the lots that were to be auctioned off. Parts made of forged stainless steel, still with their protective coat of resin, in mint condition. Then there was this heedless and typically government-corporation mentality as regards costs. Everyone was being very generous, suggesting for example that we "just forget about" the $200 million spent so far on the CBA-123 Vector program, because were it not for the impact of that investment on the final price of the new aircraft, it could be sold at a competitive price. It was crazy. Someone always has to pay the bill. I ordered a re-examination of the project to simplify it enough to make it interesting to the operator.

[Godoy] The new mentality, so different from the one that prevailed at Embraer over its 20-year history, is it being satisfactorily absorbed in-house? Won't there be a sort of ideological shock?

[Cunha] I don't know what the ideology was before, but the policy now is to modernize in expectation of privatization. Much of the work force understands and supports this. But there are a lot of people who have still not gotten used to the idea.

[Godoy] And in that case?

[Cunha] In that case, nothing. Those who are well-informed know that the fact that no one really worried about costs before is what led the company into its present crisis, and they will end up complying with the new order.

[Godoy] The federal government seems to be receptive to international pressure, led by the United States, against continued Brazilian activities in the arms, aerospace, and nuclear technology industries. Has any policy been formulated in this regard?

[Cunha] We do in fact need a clear position on Brazil's interests in those areas. Actually, the government has not yet brought all the interested parties together to discuss it. The foreign policy on this subject needs to be a little more explicit, and we need to figure out to what point it is justifiable to accept the positions of foreign governments regarding the development of Brazilian programs. The boundaries of sovereignty need to be clearly defined.

[Godoy] Would the U.S. government really veto the sale of Brasilia aircraft to Cuba, alleging that they incorporate components featuring technology that cannot be transferred to countries aligned with the USSR?

[Cunha] That is nonsense. There have never been any operations in the Embraer sales department in Havana.

[Godoy] What is going to happen to Embraer in the near future?

[Cunha] Today, 80 percent of our market is in the United States, and almost 20 percent is in Europe. Since we are the largest company in the world that specializes in aircraft for regional service, we control 44 percent of the U.S. market and 25 percent of the European market. That is not much. And why is our share so modest? Because Embraer has concentrated its attention on big customers and, therefore, in obtaining large orders. Now we are going to take the opposite approach. Working through subsidiaries that have been set up in France and the United States we are going to work new markets, such as Southeast Asia—which I consider to be highly promising. Also underway is a reorganization of our representation in Australia and New Zealand.

[Godoy] How much does it cost Embraer to build a Brasilia? Now that five months have passed since your first board meeting, do you know the answer?

[Cunha] I do. The basic model of the Brasilia costs about $7.4 million and carries a sales price of about $8.1 million. But since our goal today is to balance our books, we are selling the plane for $7.5 million. The profit margin is small—even smaller when you remember that it takes nine months of work to complete the production cycle.

Chile

Countries Interested in New Submachine Gun

PY0807144891 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 8 Jul 91

[Text] Many countries, including China, Morocco, and Tunisia, are interested in purchasing a 9 mm FAMAE [Army Ordnance] submachine gun.

This was announced today at the celebrations to mark the day of military engineering.

This submachine gun was designed and built by military engineers of the Chilean Army. Thus far, it has been successfully tested in exercises carried out at the Peldehue military camp.

The submachine gun weighs, without its magazine, 2.9 kg. It holds 30 rounds and it can fire individual rounds, three-round bursts, or all 30 rounds in one burst. The

muzzle velocity is 390 meters per second and it fires at the rate of 1,300 rounds per minute.

It has been reported that talks with the aforementioned countries on the sale of this weapon are well advanced and that the respective contracts could be concluded within the next few months.

Given its specifications and price, this weapon is one of the most coveted in the market.

Officials Report Millions Lost Due to Strike

PY1007020791 Madrid EFE in English 1926 GMT 8 Jul 91

[Text] Santiago, July 8 (EFE)—A strike by copper miners, now in its eighth day, has already cost Chile dlrs 18.4 million, officials said Monday [8 July]. The 8,000 workers at the state-owned Chuquicamata mine, the world's largest open-pit copper mine, went on strike a week ago to press for wage hikes. Their indefinite stoppage is the first major labor challenge to the 15-month-old government of President Patricio Aylwin.

The first week's losses corresponded to the dlrs 2.3 million which Chuquicamata copper exports earn daily for Chile, said Alejandro Noemi, head of the State Copper Corporation (CODELCO). Overseas copper sales account for around 13 per cent of Chile's foreign reserves.

CODELCO scored a partial success at the weekend when 1,500 miners returned to work after their union negotiated a deal with the government. This allowed Chuquicamata's operation to be run with a skeleton staff.

Copper miners are among Chile's highest-paid workers, earning an average basic wage of between dlrs 600 and dlrs 900 a month. With bonuses this can rise to as much as dlrs 1,600, matching the salary of a middle-ranking civil servant. Thirty per cent of Chile's 1.5 million-strong workforce earn the minimum wage of dlrs 96 a month or less. Teachers and journalists earn around dlrs 500.

Negotiations with the two remaining unions involved in the dispute stalled on Saturday without accord.

Miners are calling for a 9.5 per cent pay increase, 25 days holiday a year and improved bonuses. CODELCO has refused to agree to their demands citing falling productivity and a 25 per cent increase in maintenance costs since 1975 at the 100-year-old mine.

The July 1 stoppage was the first at Chuquicamata since Aylwin took office in March 1990, ending 17 years of military dictatorship under Gen. Augusto Pinochet who banned all strikes. The mine produces 680,000 tonnes of copper a year, compared to the total 1.1 billion tonnes produced by CODELCO. It earned more than dlrs one billion last year.

Government Official Comments on Espionage Reports

PY1007033091 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 10 Jul 91

[Excerpt] Jose Antonio Viera Gallo, Chamber of Deputies president, has stated that if it is proven that rumors of alleged espionage against the government are true he would personally assess more carefully the allocation of funds to the Army Intelligence Directorate.

The Chamber of Deputies president refused to comment on whether the budget of the Armed Forces will be cut. Viera Gallo said it was a very delicate matter and that, initially, he will carefully assess the budget submitted by the defense minister.

Regarding the alleged case of espionage against the government, he said that the only information he has on the subject is what has been published in the media and that it would be very regrettable if it turns out to be true. [passage omitted]

General Matthei on His Retirement, Spy Reports

PY0607004991 Santiago Radio Chilena Network in Spanish 1700 GMT 4 Jul 91

[Text] Fernando Matthei, Air Force commander general, has reported that the government will be the one to announce the date that he will retire from his command and the name of the future commander. Matthei reported that during the meeting held this morning with Defense Minister Patricio Rojas they both agreed on the date he will retire, which must be approved by President Patricio Aylwin during a meeting that will perhaps be held next week.

[Begin Matthei recording] The government will probably reveal the date and the name of my successor as it develops. It will be announced by the government. We agreed that this is the way it should be done. The minister and I thought that this is the proper procedure to be followed. [end recording]

As for the future Air Force commander, Gen. Matthei said that all the generals that come after him in seniority may fulfill this post efficiently, because they are younger and they know the force thoroughly.

As for the espionage charges raised by a Santiago newspaper, the Air Force commander said that the FACh [Chilean Air Force] does not have an intelligence service that follows political activities in Chile.

[Begin Matthei recording] I seriously assert that the FACh does not have an intelligence service connected at all with the activities of the political parties or politicians. The FACh does not even have an intelligence service that investigates terrorist or criminal actions. We think that there already exist organizations to carry out this work. [end recording]

Gen. Matthei added that every commander is responsible for what happens in his force because the only thing

a commander cannot delegate is his responsibility. He said that being responsible does not mean being guilty but a representative for what happens in his force.

Gen. Matthei returned today at dawn from Europe, where he visited France, Spain, and the United Kingdom in an official 20-day tour.

Army Commander General Augusto Pinochet also met today with Defense Minister Patricio Rojas. It is thought that during their meeting they discussed the controversial subject of espionage allegedly carried out by the Army Intelligence Directorate, DINE, on government officials.

PDC Meeting Ends; Agree To Pick Candidates

PY0907011391 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 8 Jul 91

[Text] The Christian Democratic Party [PDC] has decided to name its presidential candidate in January 1993. The ruling party also has decided to name candidates for all municipalities in the municipal elections to be held before July 1992.

The PDC leadership national meeting ended at 0630 today. PDC ministers, congressmen, and more than 400 national leaders attended. PDC members confirmed Chairman Andres Saldivar's decision to continue supporting President Patricio Aylwin. PDC members praised the government's positive performance and called for faster implementation of social programs.

The meeting paid special attention to the municipal elections, and authorized negotiations with the opposition for the democratic election of mayors and councilmen with two conditions: The elections must be held no later than July 1992, and the electoral system must be proportional. According to Andres Saldivar, an agreement on the municipal elections should be reached this month. It also has been confirmed that the PDC will offer candidates in all Chilean municipalities.

As a result of Saldivar's decision not to run for the PDC chairmanship again, the leaders must reach a consensus on another chairman. Apparently, most of the leaders would agree to choosing Enrique Krauss. If he is not a unanimous choice, Deputy Gutemberg Martinez, leader Narciso Irureta, and Senator Mariano Ruiz-Esquide are also possible candidates.

The PDC also expressed its wish to maintain the political coalition after 1993. As the ruling party, however, it reiterates its right—similar to that of all other coalition members—to appoint its candidate in the next presidential elections. The choice will be made in January 1993.

[Begin Saldivar recording] I believe that a coalition is always headed by the majority party. If the PDC is the majority party, it is understandable that the PDC claims its right the way the Socialist Party, the Party for Democracy, or any other party would if it were the majority party. [end recording]

The next PDC event is its ideological congress, which may be very important for the party's future. The PDC ideological congress will be in October.

Colombian Envoy Comments on Drug Trafficking

PY0907173691 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 9 Jul 91

[Text] The new Colombian ambassador to Chile has said that it is logical to suppose that Chile is an exit point for cocaine trafficking and a center for laundering drug money.

Colombian Ambassador Emiliano Isaza Enao met at noon today with Defense Minister Patricio Rojas. Isaza arrived in Chile one month ago and this is the first time he has officially met with Minister Rojas. After the meeting he was asked about drug trafficking.

[Begin recording] [Isaza] This is a matter of common interest for the two countries and for other nations in general terms; consequently, we discussed the issue.

[Unidentified reporter] What can you tell us about the reports that Chile is being used as exit point for cocaine trafficking and as a place for laundering drug money.

[Isasa] This is possible and almost obvious considering that Chile is so close to the drug producing countries and to the difficulties caused by drug trafficking in Colombia and the drug consuming countries. It is obvious that drug traffickers have to seek places, and as Chile is not a well-known international route, that can be used as an exit point for their horrendous market. [end recording]

The ambassador did not rule out the idea of coordination between the Colombian and Chilean Armed Forces in the struggle against drug trafficking.

Colombia

Poll Favors Gaviria's Drug, Insurgency Policy

PA0507192391 Bogota EL TIEMPO in Spanish 30 Jun 91 pp 1, 3a

[Text] Public opinion and the Gaviria administration—as far as the drug traffickers' surrender to justice—are closely linked.

This has been revealed in the poll taken by the Centro Nacional de Consultoria (CNC) in Bogota, Cali, Medellin, Barranquilla, and Bucaramanga.

There is an overwhelming sentiment that Pablo Escobar's surrender is positive: 90 percent believe this is so.

But does this mean that the government yielded to the drug traffickers, as its adversaries claim? The poll reveals that 67 percent believe it is a Colombian Government victory and not a surrender. Of the 768 persons polled, 25 percent chose the second option: the government surrendered.

The wave of optimism that has swept over the nation is also in favor of the justice system. Of the persons polled, 75 percent believe that the Colombian judges are capable of giving Pablo Escobar a fair trial. Maybe this is why a high percentage (84 percent) does not agree with some U.S. Government officials' criticisms about the government policy.

The poll is full of optimism. Those who participated in this poll are convinced that Pablo Escobar's surrender is not only positive for the nation but it also marks a victory for President Cesar Gaviria Trujillo.

This is an opinion that is shared—in almost equal proportion—by the men and women in the nation's five most important cities.

Barranquilla has the highest positive opinion: 94 percent; followed by Medellin, 92 percent; then Bogota with 90 percent; Bucaramanga with 89 percent, and Cali with 82 percent.

The young crowd between 18 to 25 were the most optimistic (93 percent) with regard to Escobar being behind bars.

This optimism is shared almost equally by all political forces' activists and even by persons who do not belong to any of these. The National Salvation Movement (MSN) members are the most fervent optimists, (93 percent). These are following by the M-19 [19 April Movement Democratic Alliance], (92 percent); then by the liberals—who do not have a party—(90 percent); and finally by the conservatives, (84 percent). Only 6 percent of the persons polled said that the capo's surrender was negative for the nation.

The government's prestige is obviously high. The 67 percent of the persons polled said that the drug trafficker's surrender is a victory, thereby demonstrating all-out support for the current administration's drug policy.

In this case it was the women, with 69 percent, who were more satisfied with the Escobar's surrender. The men were not far behind with 65 percent. The poll also disclosed that 69 percent of the middle class agrees with the government action. Of those polled, 25 percent do not agree with the government action, while 8 percent refused to give an answer.

Is the Colombian justice system capable offering Escobar an impartial trial? Of those consulted, 75 percent said yes. Bucaramanga gave the justice system the largest vote of confidence, 81 percent; followed by Medellin, 78 percent. Twenty-one percent of those consulted do not believe in the capability of our judges giving Escobar a fair trial. In that segment, the MSN members are the ones who least trust the judicial system's impartiality, (28 percent).

The persons polled do not agree with criticism issued by the United States against Colombia in the Escobar case. Eighty-four percent said that the United States is wrong. This outlook is marked among the 18- to 25-year-olds and those over 55. Thirteen percent agree with U.S. administration's opposition.

Dialogue With the Rebels

The persons polled also broadly supported the peace talks being held in Caracas between the government and the Simon Bolivar National Guerrilla Coordinating Board [CNGSB].

Of the persons polled, 78 percent replied that they agreed with the talks while 16 percent were against them. The younger age group shows greater support for this process (82 percent), while those over 55 were less optimistic (70 percent). The M-19 party members support this process the most: 86 percent.

If this support were measured per social class levels, the opinion would be unanimous: 79 percent in upper class, 78 in the middle class, and 77 in the lower class said yes to the dialogue.

The lower class believes most in the sincerity of the guerrillas (74 percent) and the middle class believes in it the least (25 percent).

The issue is that public opinion is sending a message to the guerrillas: Silence your rifles, demobilize, and turn yourselves in to a new country that feels like it is being born.

Furthermore, those polled did not betray that optimism: 68 percent believes that the CNGSB has the will to seek peace and believes in the armed movement's sincerity in the negotiations. It is now like a tennis match. Public opinion is telling the CNGSB: it is your serve.

'Communique' Announces 'Extraditables' Disbandment

PA0907195691 Bogota EL TIEMPO in Spanish 4 Jul 91 pp 1, 14a

["Text" of "communique" issued by the "extraditables" in Medellin on 3 July]

[Text] 1. We have decided to dissolve our entire military organization after learning of the Constituent Assembly's position [on extradition].

2. Consequently, we will end all actions against those whom we consider to be our enemies because of their stance with regard to extradition.

3. We know that drug trafficking will not end, as it has developed in several countries around the world.

4. The Rodriguez Orejuela brothers' cartel is backed by several top Colombian National Police officers who have supplied false information to the international and domestic media and have participated in the murder of several presidential candidates.

5. These same police officers have given false information on drug- trafficking activities in prisons to justify

the fact that drugs are entering other countries and to cover up the illegal activities of their associates.

6. Hundreds of bodies have been thrown into Cali's Cauca river. These are the people who have been murdered or have disappeared in Cali, the city where the Rodriguez Orejuela brothers operate.

7. We emphasize that the following officers have publicly defended the Rodriguez Orejuela brothers in several media sources: [Police Director General] Miguel Antonio Gomez Padilla, [DAS Director General] Miguel Maza Marquez, and [Colonel] Oscar Pelaez.

The Extraditables

Medellin, 3 July 1991

Antipolice Charges Examined

PA0507184791 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 4 Jul 91

[Text] The extraditables have remained defiant against the authorities. In a communique in which they announce the dismantling of their military organization, they again accuse the commanders of the police and the DAS [Administrative Department of Security] of being linked to the Cali Cartel. This demonstrates that, in spite of being behind bars, the Medellin Cartel remains active, at least in its pronouncements. The extraditables' communique today establishes several points:

1. Contrary to what they said before, the extraditables did exert pressure on the constituent assembly. This was seen in the communique in which they announce that they will dissolve their military organization, after learning of the constituent assembly's position on extradition.

2. They agree that there was intimidation against the defenders of extradition, including some members of the constituent assembly. They affirm: We will take all kinds of actions against those whom we consider to be our enemies, for causing the extradition.

3. Although international action led the Medellin Cartel to exercise drug trafficking in several parts of the world, they make it clear that they are not the only ones dedicated to this business. The surrender of the Medellin Cartel, therefore, is no guarantee that this business will disappear from the face of the earth.

4. It can be established that they are in a war against the Rodriguez Orejuela brothers, who they accuse of assassinations, massacres, and creating disinformation about the surrender of Escobar and his men.

5. Although it has turned itself over to Colombian justice, the Medellin Cartel has not stopped accusing the police organizations. In their communique, they link Generals Miguel Antonio Gomez Padilla, police director; General Miguel Maza Marquez, DAS director; and Colonel Oscar Pelaez Carmona with the Cali Cartel and with the assassination of presidential candidates.

CGNSB Destroys Radar Station on Cerro Maco

PA0607023391 Paris AFP in Spanish 0056 GMT 6 Jul 91

[Excerpt] Bogota, 5 Jul (AFP)—A civil aeronautics spokesman announced in Bogota today, Friday, that the destruction of the only radar station that operated in the northern part of the country has eliminated the means of controlling cocaine shipments from Colombia to the United States.

The radar station, located on Cerro Maco (near the port of Barranquilla, 1,000 km north of Bogota), was dynamited by a cell of the Simon Bolivar National Guerrilla Coordinating Board [CGNSB], who thus removed the means of controlling both commercial and private air operations.

Colonel Ernesto Cadena, chief of civil aeronautics operations, said that although commercial airplanes will face some difficulties, the real problem will be in detecting aircraft making unscheduled flights.

The electronic system and radar antennas were damaged and will have to be replaced, according to one aeronautics expert. The expert said that Colombia's radar program has been "set back by at least 10 years as a result of the attack."

The first radar station in Santa Ana, which was located in the southwestern province of El Cauca, was also dynamited by CGNSB guerrillas in March, and so far has been neither replaced nor repaired.

On Friday, the government ordered special protection at the El Tablazo radar station near Bogota, which helps to control air operations in the central part of the country.

The attack on the Barranquilla radar station occurred one day after President Cesar Gaviria's government lifted the state of siege that had been in place continuously for the past seven years, and almost without interruption for 43 years. [passage omitted]

Status of Remaining Facilities

PA0907180791 Bogota Inravision Television Cadena 2 in Spanish 1730 GMT 9 Jul 91

[Report by Susana Carvajal]

[Text] Guerrilla activity has damaged the Barranquilla radar facilities, located in Maco Mountain, San Jacinto, Bolivar Department, which provide service to the country's northern airports. In addition, the Santa Ana radar facilities located near Popayan were blown up six months ago. The Civil Aeronautics Office now has only the El Tablazo radar facilities, located outside Santa Fe de Bogota, which are under special surveillance, and other radar facilities located near Engativa, at Santa Fe de Bogota's El Dorado Airport.

At the end of 1992, Civil Aeronautics will install four new radar units; two for Santa Fe de Bogota, one for Medellin, and one for Barranquilla.

[Begin recording of Colonel Nestor Cadena, Civil Aeronautics chief of operations] The current radar equipment will be removed, and we will install equipment that is being purchased. [end recording]

Two old radar units are to be relocated, following a huge investment to modernize them, in Villavicencio and Carimagua, in the Eastern Plains. Due to the 5 July attack on Maco Mountain, the country's northern airports will fall 10 years behind in programs to refurbish antennas and communications equipment. Col. Cadena strongly insisted that air communications face no danger because of this emergency.

[Begin Cadena recording] Air communications were not affected. The only problem that exists has to do with control of the aircraft flights. [sentence as heard] [end recording]

Actions Jeopardize Talks

PA0907213591 Bogota Radio Cadena Nacional in Spanish 1200 GMT 9 Jul 91

["Confidential Report" segment by station announcers identified only as Francisco and Cecilia—live]

[Text] [Francisco] Shootings, dynamitings, and attacks by the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] have cast a doubt over the dialogue between the government and the guerrillas, that should continue on 15 July in Caracas. Cecilia?

[Cecilia] The guerrilla delegates have said that the dialogue could be postponed for five or eight days. In other words, not start on 15 July, because they have not been able to return to Colombia. The truth is that the government has assured them that it will stop military operations for 24 hours, so they can come to Colombia and move where they wish. The guerrilla's delegates, however, are asking for 10 days, which means a unilateral government cease-fire, because they have asked the government to stop its operations while they continue with theirs.

That is how it stands, and that means that the dialogue has not been stopped for eight or 10 days, but indefinitely. That we can affirm.

[Francisco] That is the government's opinion?

[Cecilia] That is the government's opinion, and we will have more information later.

[Francisco] The guerrillas say that there will be no third round of talks unless they return to their fronts in Colombia to explain what has been discussed in the Venezuelan capital.

[Cecilia] That is right. The government says that the talks are suspended indefinitely and not just for eight days, because they will only allow a 24-hour suspension of military operations, while the guerrillas are requesting 10 days.

[Francisco] How true are the statements about a possible mediation by writer Gabriel Garcia Marquez in the dialogue and about a trip to Cuba by Rafael Pardo Rueda, the presidential adviser on national security?

[Cecilia] Well, [Radio Cadena Nacional] RCN can confirm that writer Gabriel Garcia Marquez has been aware of the whole process, but has not directly participated in a mediation effort. Also, we can confirm that Rafael Pardo Rueda, the presidential adviser on national security, has been to Cuba three times. The last trip was a month ago, when he spoke to President Fidel Castro about the peace dialogue in Colombia with the guerrillas, not so he could be a mediator in the talks, but just to keep him abreast of the situation. The government believes that there are certain countries where the Colombian guerrillas move easily and that it is good for the governments of those countries to be aware of what is going on in Colombia. These are the Cuban, Venezuelan, Mexican, and Costa Rican Governments.

Medellin Police on Power Facilities Attacks

PA0807202191 Bogota Radio Cadena Nacional in Spanish 1200 GMT 8 Jul 91

[Interview with Colonel Aldemar Bedoya, acting commander of the Medellin metropolitan police, by unidentified reporters in Medellin on 8 July—live]

[Text] The Medellin Police have discovered several charges of dynamite that were placed at power towers, fortunately before they went off.

Yesterday, the rebels came close to leaving the city of Medellin in the darkness, after placing several charges at different locations. However, the metropolitan police managed to defuse most of the charges. Colonel Aldermar Bedoya, acting commander of the metropolitan police in Valle de Aburra, good morning.

[Bedoya] Good morning and thank you for having me.

[Reporter] What can you tell us about the terrorist incidents that took place yesterday in Medellin?

[Bedoya] At approximately 2030 on 6 July, a series of terrorist attacks against power facilities in Valle de Aburra reportedly took place. Dynamite charges reportedly went off in the vicinity of two power towers, that is tower No. 36 in Cerro Guadalupe, Bello Jurisdiction, and tower No. 13 in the Loreto neighborhood.

Yesterday, thanks to intelligence reports received by the metropolitan police, three dynamite charges were defused at seven towers in Medellin and nearby municipalities.

[Reporter] Have you had any intelligence to indicate that the rebels are planning to take over the energy facilities of the city of Medellin?

[Bedoya] Well, the rebels or subversive groups that operate in Medellin are engaged in a new wave of terrorist attacks against the energy, communications, hydrocarbons, and transportation infrastructure. The city of Medellin is included within the plans of the rebels because we have a significantly large energy infrastructure.

I would deem the possibility that the rebels may take over energy facilities in Medellin very unlikely, because the public force is ready to abort any such plan. We have devised a strategy, which we are currently carrying out in conjunction with the Army's 4th Brigade in Medellin, to prevent this from happening.

[Reporter] Have any arrests been made in connection with the finding of explosives?

[Bedoya] No. No arrests have been made. These charges of explosives were placed on the night of 6 July, so the darkness in rural areas has made it virtually impossible to arrest those who placed them. In general, one or two people usually place the explosive charges in energy facilities, so it becomes easy for them to avoid being apprehended.

[Reporter] When terrorism increased as a result of attacks by drug- trafficking groups, you raided different places, established roadblocks, and searched for caches of dynamite. Will you repeat this type of operation?

[Bedoya] Yes. On the basis of operations carried out yesterday by the police, we presume that there may still be some large caches of dynamite in the area. We will resume....[changes thought] We never really stopped our law enforcement activities against those who are trying to affect the country.

[Reporter] Col. Bedoya, we thank you very much for this opportunity.

[Bedoya] It is my pleasure.

Army-FARC Clash in Caqueta Department

PA0807140891 Bogota Radio Cadena Nacional in Spanish 1210 GMT 8 Jul 91

[Text] Florencia—Units from the Army's 12th Brigade are at this moment fighting against the FARC [Revolutionary Armed Forces of Colombia] 40th Front on the plains of Yari in Caqueta Department, it has just been officially reported. A military communique points out that, thus far, two rebels have been killed and war materiel has been seized.

The commander of the 12th Brigade, Colonel Pedro Antonio (Chaustre Lopez) said that for the past 10 days the guerrilla fronts that operate in that area of the country have resumed their operations against the people and the economic infrastructure of the country.

In conclusion, he disclosed that a guerrilla camp with food supplies for approximately 30 rebels was dismantled during the antiguerrilla operations.

Ecuador

State Doctors, Health Workers End 3 Week Strike

PA0707133491 Madrid EFE in Spanish 0201 GMT 2 Jul 91

[Text] Quito, 1 Jul (EFE)—On 1 July, doctors at Ecuador's state hospitals ended a strike which began three weeks ago and returned to their patients.

The strike committee president, Oswaldo Melague, said the strike ended because of "the patients and the people." Although, he does admits that its' end coincides with the government's offer to pay all the money owed to the sector by 5 July.

The government also promised to expedite studies on the needs of each of the country's hospitals, to gradually acquire medical equipment, and to earmark a $20 million hospital rebuilding fund.

The doctors, however, warned that if the government failed to keep its promises they would strike again.

The strike, which private doctors joined today, began in Quito on 10 June and in Guayaquil and other cities on 24 June and included administrative workers.

Official Comments on Money Laundering Activities

PA0907173891 Quito Voz de los Andes in Spanish 2300 GMT 3 Jul 91

[Francisco Sanchez report]

[Text] A few minutes ago, the president of the commission that is investigating the laundering of drug money in the country, Deputy Fernando Larrea Martinez, turned over the corresponding report to the finance minister. The report encompasses a movement of over $658 million. Some 178 people are involved, many of them students, who handled $18 million, $72 million, or $53 million, which they sold, primarily to Ecuacambio, an exchange house in Guayaquil. The money has also been sold to the Banco de los Andes here in the capital, during the period from March 1990 to February 1991. Most of the people involved, some 56 percent of these 178 people, sold their dollars to Ecuacambio in Guayaquil. Let us listen to deputy Fernando Larrea Martinez, who met with the finance minister. Incidentally, the latter deliberately kept newsmen out of the Finance Ministry. Finance Minister Pablo Better gave orders that we were not to be allowed to enter the ministry. We approached deputy Larrea Martinez at the doors to the ministry and asked him about the results of the meeting.

[Begin recording] [Larrea Martinez] There was a firm pledge by the minister to turn over all the information on this subject, that is, information on the tax declarations of the people involved, because we explained to him that in a spirit of patriotism, the country comes above the government and above positions. We have to defend the country.

He publicly reaffirmed the willingness on the part of the Finance Ministry to turn over this information so that we can give it to the country. For my part, as president of the commission that is investigating this morning, at 1000 tomorrow I will turn in the lists of people that we have investigated. I wish to clarify that the fact that people are on that list in no way means that there is a presumption of guilt. Perhaps, in some cases it is obvious, as when they are students who could never be in possession of such great quantities of money. There would have to be a collusion between the banking institutions and these people who sought, at the very least, to harm the Ecuadoran state.

[Reporter] Just what will the ministry do?

[Larrea Martinez] Well, they have to examine the tax declarations of all the people that appear on the lists that we have given them, so that they can determine whether tax has been paid on this income, and secondly, the minister has pledged to carry out an investigation and audit to determine whether these funds are of legitimate origin.

[Reporter] Has the commission ended its work?

[Larrea Martinez] No, we first completed the transactions involving private individuals. Now, we have to look into the transactions of corporations such as banks, exchange houses, and finance intermediaries.

[Reporter] Will this be easy?

[Larrea Martinez] I do not think so. We do have all the information—over 6,000 pages that were turned over to us by the Superintendency of Banks. We are processing it carefully in order to provide information, to tell the truth to the public through you journalists.

[Reporter] [Words indistinct] the superintendent of banks?

[Larrea Martinez] Well, we have been in constant touch with him. We are truly alarmed, because the controls that the superintendency of banks is supposed to exercise by law and regulation have obviously not been exercised. This has permitted a very carefree attitude on the part of certain banks and certain exchange houses. I insist that this is truly harming and alarming the public.

[Reporter] Will you publish the names of people involved in this and the amounts involved?

[Larrea Martinez] That is my pledge to you and to the country. I will do this tomorrow.

[Reporter] In view of this, should the superintendent of banks be [word indistinct]

[Larrea Martinez] I think that it is important for the Ecuadoran people and the public to know the truth. The people who are in certain positions are not important; the important thing is what they do in those positions. [end recording]

* Poll Ranks 1992 Presidential Candidates

91SM0378A Quito HOY in Spanish 7 Jun 91 p D1

[Text] CEDATOS [Ecuadorian Data Company] took a poll of 2,080 randomly selected citizens 18 years or older in Quito, Guayaquil, Cuenca and Portoviejo during the first week of May.

The survey was statistically controlled for age, sex, education level, occupation and socio-economic level. The objective: to understand the personal qualifications of the candidates and precandidates for President of the Republic, who are gearing up their artillery, and even their own physical conditions, for the 1992 elections.

That is, the goal of CEDATOS' research is to understand the characteristics that the next President of Ecuador should have, according to those polled, and the qualities they see in seven names disputing the political stage as possible contenders in the first political match of 1992.

The answers are interesting, and could result in infinite interpretations and commentaries. That is perhaps the temptation posed by every survey.

As can be seen in the table, Ecuadorians do not believe there exists an ideal, chemically pure president. Hence, the profile developed by the interviewees themselves does not add up to 100 percent, but rather only 88.9 percent. In other words, no one man is so perfect as to be absolutely honest, sincere, trustworthy, cultured, educated, charismatic...nor is anyone totally expert in our domestic reality, nor perfectly grasp our social, economic, political or economic problems. Nevertheless, any one person could be president.

Flesh and Bones

If that is what happens when one tries to construct an archtypal profile, then when one classifies political leaders—those of flesh and blood—according to those same characteristics identified as desirable in the future president, a hierarchy emerges that puts Sixto Duran Ballen in first place, and Abdala Bucaram in last. In between, in descending order, are Alberto Dahik, Jamil Mahuad, Raul Baca, Andres Vallejo and Jaime Nebot.

However, one should not lose sight of the fact that the results reflect a specific situation at a specific time, in this case the first week of May. And that the opinions of the citizens interviewed could change as a function of events occurring during the electoral campaign.

That is why in political environments Sixto Duran is said to be a good precandidate, but a terrible candidate. And that Bucaram is capable of turning electoral preferences around within a few weeks, particularly in the last stages of the campaign.

Nevertheless, this survey is useful for obtaining a current classification, leading to an understanding of the ranking of the precandidates in the qualities the population hopes to find in the next president.

Trust or Mistrust?

It is often said that polls are manipulated. And the country knows of cases where supposed polling firms with extravagant acronyms have been created to favor a specific candidate.

That happens because polls can undoubtedly be used as weapons for political debate. And also because they are the most "scientific" and objective sources available to candidates and their campaign managers. With these figures, they can decide whether or not certain factors are aiding them, whether to participate in or avoid a debate, or announce a resignation, or communicate a message with differentiated content for young people, adults, urban or rural sectors, develop TV spots or radio commercials, etc.

Doubts can be resolved in a simple manner: confide in the professionalism, experience and seriousness of the firm doing the polling and releasing the information.

If that is how it is, as in our case, the precandidate who most closely identifies with the people is Duran Ballen. And the one who least does so is Andres Vallejo. But in terms of business administration experience, for example, although Duran Ballen still leads, Bucaram is at the tail.

It is undeniable that the poll is reflecting a sense of excitement from Duran Ballen's resignation from the Social Christian Party, the importance the media confers on his precandidacy, and all the news leading up to the split. But everything could change, or become even more extreme.

In order to continue taking this pulse, HOY, with the participation of CEDATOS, will publish similar information every two months, obtained from similar surveys.

Ideal Profile vs. Actual Profile	Ideal (%)	Bucaram (%)	Mahuad (%)	Baca (%)	Dahik (%)	Duran (%)	Nebot (%)	Vallejo (%)
Honesty	96.1	22.3	58.1	50.4	64.0	80.6	41.7	46.0
Awareness of Domestic Reality	94.7	42.1	60.7	58.5	70.5	85.6	53.1	53.7
Identification with the People	94.3	44.4	51.4	42.7	79.4		47.2	36.4
Dedication to Work	95.4	37.4	58.3	51.9	67.6	85.1	50.6	46.4
Sincerity	94.8	26.4	55.3	47.0	62.4	82.2	42.2	42.2
Public Administration Experience	87.0	26.0	47.8	54.4	62.1	82.1	47.4	51.5
Business Administration Experience	60.9	22.3	52.2	50.6	65.4	82.4	52.8	51.9
Calmness	92.4	14.0	66.0	57.0	68.4	85.1	34.1	52.6
Culture/Education	95.6	15.7	71.0	61.8	72.9	87.8	37.1	56.9
Speaking Ability	83.8	36.5	59.8	47.8	63.5	73.5	44.0	45.4
Energy/Decisiveness	92.5	51.1	54.1	49.2	63.0	69.8	56.0	47.3
Credibility	91.5	27.6	52.5	45.0	59.9	77.2	40.6	40.9
Grasp of Economic Issues	93.5	27.2	54.3	50.6	71.2	79.8	44.6	47.7
Grasp of Political Issues	90.9	36.5	55.7	54.6	65.0	81.0	48.9	49.7
Grasp of Social Issues	93.3	32.7	52.6	55.1	61.4	79.0	44.6	45.1
Grasp of International Issues	90.8	25.3	47.6	43.4	58.3	75.1	35.9	40.2
Artistic/Athletic Skills	59.5	40.2	40.4	32.7	42.4	50.8	47.2	30.8
Charisma	86.3	42.4	51.6	41.4	56.5	71.2	43.5	38.5
Seriousness/Sensitivity	93.3	28.6	64.7	57.4	69.1	83.7	43.2	52.4
Authenticity/Originality	92.2	42.4	60.8	54.0	68.0	81.4	49.1	50.1
Average	88.9	32.0	55.7	50.3	64.4	78.7	45.2	46.2

Peru

Government To Create National Peace Council

PA0507160791 Lima Panamericana Television Network in Spanish 1200 GMT 5 Jul 91

[Text] The government has taken another important step in its objective of bringing peace to the country. In a few days, it will enact a legislative decree creating the National Peace Council [Concejo Nacional por la Paz]. Council of Ministers President Carlos Torres y Torres Lara made the announcement after meeting for the fourth time with representatives from political parties.

[Begin Torres y Torres recording] The commission created in the previous meeting has submitted a document that will contain a general statement by the political parties on the matter of attaining peace. Each political party will now review this document, and a few days from now a meeting will be held to approve the final draft. Much progress has been made on the document regarding the proposals made. In general terms, the document has been well received, allowing us to say we

are making substantial progress. In addition, the political parties submitted their recommendations and opinions regarding the content of the new legislative decree on the National Peace Council. The existing difference of opinions on this matter will allow the executive branch to study the recommendations and improve the document. [end recording]

Government Uses Constitution To Impose Taxes

PY0607135091 Lima EXPRESO in Spanish 29 Jun 91 p 3

[Excerpt] In view of the APRA [American Popular Revolutionary Alliance] congressmen's stubborn refusal to approve the new taxes the government needs to streamline its budget and meet the salary demands of the public employees, Justice Minsiter Antonio Antonioli announced on 28 June that the executive branch will use the authority granted by Article 211 of the Constitution to obtain, through emergency decrees, the new financial resources it badly needs.

Minister Antonioli said, "These resources will not be obtained through legislative decrees that we fruitlessly tried to obtain with the cooperation of Congress, but through emergency decrees." He added that paragraph 20 of the Constitutional article allows the executive branch "to administer public finances, negotiate loans, and dictate special measures on financial and economic matters, whenever the national interests call for them, as long as the executive branch reports on the special measures to Congress." [passage omitted]

Freezing of Public Employees' Salary Announced

PY1007010891 Lima EXPRESO in Spanish 26 Jun 91 p 3

[Excerpts] On 25 June, President Alberto Fujimori announced that the salary of public employees, including those of Petroperu (State Petroleum Agency) were frozen. He also denied rumors of the possible elimination of the Independence Day bonus granted to public servants.

Fujimori said: "The decision to freeze the salaries of all public employees is established in the latest supplementary credit approved by Congress." He denied that this measure is aimed at increasing salaries in other sectors.

Fujimori said that the Independence Day and Christmas bonuses are the rights of workers and should be respected. He made these statements at the Peruvian Engineering School, where he was awarded the Grand Cross of the Peruvian Engineering Order.

He said that the Economy Ministry is "collecting the money" to pay the July bonus to the public employees.

He ruled out a possible bank holiday, adding that the long weekend that concluded with the celebration of Peasants' Day was enough. [passage omitted] Fujimori refused to give an estimate on the inflation rate for June by saying, "I am not a sorcerer." He said, however, that the recent fuel increase, a measure he said was necessary, will cause a slight increase in the inflation rate.

On justifying the new gasoline price increase, Fujimori said that if this measure was not adopted, Petroperu was going to go bankrupt. He explained that fuel increased by 18 percent, of which 9 percent is designed for the fiscal budget and the rest for Petroperu, which has experienced a huge deficit. [passage omitted]

Bank, Insurance Law Becomes Effective 1 Jul

PY0607145491 Lima EL COMERCIO in Spanish 1 Jul 91 p A-1

[Excerpts] After this year's first six-month balance, the new General Law on Banking, Financing, and Insurance Institutions goes into effect on 1 July. [passage omitted]

The new law, which was promulgated in April through a legislative decree, replaces Law 7159 dated May 1931. It consists of 400 complementary and temporary articles and rules that limit the discretionary intervention of the Central Bank of Reserves and of the Bank and Insurance Superintendency.

The implementation of the new law contemplates the transfer of the commercial and specialized banks to the multiple regime that consists of private and public banks. Mortgage banks [mutuales de vivienda] will act as commercial and development banks, and the financial institutions [financieras] will disappear or become banks within three months.

The development banks will have to adapt to the market laws and the state-owned banks will be privatized or disappear, if they cannot survive in the period foreseen by the new law. In addition to other changes, the banks will also grant mortgages [prestamos hipotecarios].

Banking and financial freedom will be applied to a system comprising the Central Bank of Reserves, the National Bank, four development banks, 22 commercial banks, the Lima Public Welfare Savings Fund, 15 savings and loan institutions, 12 municipal savings institutions, and 13 general warehouses [almacenes generales de deposito]. The insurance companies will be as efficient as the foreign ones.

Police Arrest Top MRTA Leader in Huancayo

PY0507205891 Lima EXPRESO in Spanish 19 Jun 91 p 10

[Excerpt] Huancayo, 18 Jun—The arrest of Cesar Teobaldo Vilchez Simeon, 24, has enabled the local police to thwart a wave of crimes and attacks that were to have been carried out during the following few hours. Vilchez Simeon is regarded as one of top leaders of the MRTA [Tupac Amaru Revolutionary Movement] in Peru's central region.

The Political Military Command of the Mantaro Front has declared a "red alert" in the Andres Avelino Caceres region, when it was learned that there was a plan to kill local leaders and authorities; to sabotage electricity plants and trains; and to attack state-owned properties.

A police report said that three other individuals were arrested with Vilchez. Subversive propaganda and "coordination" documents on a series of terrorist attacks planned for 19 and 20 June were confiscated.

The source said that Vilchez, alias "Commander Francisco," and the other criminals sought to revive the so-called "regional center committee," that was dismantled by an Army patrol on 28 April 1989 during an action in which 60 MRTA guerrillas were killed.

Despite the intensive patrol conducted by soldiers and policemen in the Caceres region, dynamite attacks were perpetrated on the evening of 18 June at the 60,000-volt line which supplies the townships of Huancayo, Concepcion, Jauja, and 50 Andean districts. The blackout lasted approximately one hour. [passage omitted]

Army Reportedly Bombs Public Rally in Aucayacu

PA0907161091 Mexico City NOTIMEX in Spanish 0926 GMT 9 Jul 91

[Text] Lima, 9 Jul (NOTIMEX)—It was learned here today that at least 24 people were reportedly killed in a town in the jungle of Huanuco Department after a Peruvian Army helicopter fired rockets at a public gathering.

Local television reported that on 7 July, subversive elements of the Shining Path Maoist Movement called for a demonstration in the town of Aucayacu, Leoncio Prado Province, approximately 500 km northeast of Lima.

The source said that as the demonstration was about to start, an army helicopter appeared and immediately fired on those who were at the gathering in an attempt to disperse them.

This version has been neither confirmed nor denied by the Joint Chiefs of Staff of the Peruvian Armed Forces.

Over the past few weeks, Aucayacu has been the center of a series of clashes between soldiers and rebel columns, in which 75 insurgents have been killed, according to official reports.

Police Shoot Down Aircraft in Amazon Region

PA1007155391 Paris AFP in Spanish 0827 GMT 10 Jul 91

[Text] Lima, 10 Jul (AFP)—At least 12 people were killed on 9 July when a group of policemen shot down a light aircraft during takeoff at an airfield in the Peruvian Amazon Region, Miguel Ulder Lopez, administrator of Aerochaski, the private airline that owned the aircraft, has reported.

The aircraft crashed on an island known as El Burro on the left bank of the Huallaga River, near the town of Bellavista, in the Alta Huallaga Valley, approximately 800 km northeast of Lima.

Ulder said that there could be more victims, as the aircraft had a capacity for 22 passengers.

The plane was being used in civic action activities between towns in the Peruvian Amazonic Region. According to the airline's spokesman, there were women and children among the passengers.

Ulder said that the incident was inexplicable and that there was no reason for the policemen to open fire on the aircraft, because it had complied with all the requirements and had been authorized to take off.

He stressed that the attack has caused indignation among Bellavista residents, who have occupied the local Police station to protest the action. Two pilots and ten passengers are among the victims, he noted.

Terriosts Attack Home of Economy Minister

PA1007030391 Lima Global Television Network in Spanish 0100 GMT 10 Jul 91

[Text] Due to a miscalculation during an attack on the residence of Economy Minister Carlos Bolona, one of two Army tanks standing guard at the residence was hit by a rocket. The tank was only 30 meters away from the minister's home on block 16, West Angamo Avenue. The rocket was fired at 1800 from Mora park, which is located to the extreme left of the residence. A soldier named Soto was seriously wounded.

Following the explosion, three individuals armed with machineguns attacked policemen in patrol car 321026, which was parked at the Naciones Unidas park to the extreme right of Bolona's home. The subversives were quickly chased by the policemen, who during the shootout hit a Volkswagen. In their flight, the Shining Path subversives left flyers and grenades behind.

It has been announced that the economy minister was not at home at the time of the incident.

Reportedly 18 Persons Killed Per Day in Jun

PA0807151791 Madrid EFE in Spanish 0133 GMT 5 Jul 91

[Text] Lima, 4 Jul (EFE)—The political violence that has been taking place in Peru for the past 11 years increased in June, the bloodiest month in 1991, with 540 deaths, congressional sources on told EFE on 4 July.

According to the office of Social Democratic Senator Enrique Bernales, who heads the Pacification Commission of the Senate and the Human Rights Commission of the United Nations, 362 alleged guerrillas, 149 civilians, and 29 members of the security forces—an average of 18 persons per day—were killed in June.

These figures increased the total number of persons killed as a result of Peruvian political violence to 1,319, as of the beginning of 1991, to 2,981 since President Alberto Fujimori took over 11 months ago, and to 22,949 since the Maoist Shining Path began its armed struggle on 17 May 1980.

During almost 11 years of political violence in Peru, there have been nearly 19,500 attacks—an average of 33 per week and nearly 5 per day—including acts of sabotage directed against the productive and communications infrastructure, with direct material losses estimated at approximately $18.5 million, a figure similar to the Peruvian exports for six years.

Political violence flared up during the second half of June, coinciding with greater armed activity by the Shining Path that "commemorated" the fifth anniversary of the death, at the hands of security forces, of 250 supporters who rebelled in three Lima penitentiaries on 19 July 1985.

The Armed Forces Joint Command, which controls nearly two-thirds of the Peruvian territory that is under a state of emergency, said this week that it "has strengthened" its "subversive actions" in the areas of the guerrilla groups' greater activity.

Political violence appeared to decrease during the first five months of 1991, when the number of deaths ranged from a minimum of 118 in March to a maximum of 210 in May, very far below the normal average in Peru.

During the first three days of July, 14 persons were already killed and two more wounded.

Attacks with explosives have also increased in Lima, where two Japanese automobile dealerships and one office equipment store were destroyed, while two branch offices of the water works and one of the electric company were damaged.

A Brazilian VARIG airliner in which former Peruvian President Alan Garcia and his wife were traveling had to return today to the Lima airport due a to an anonymous threat that there was a bomb onboard.

Flight 832 was delayed four hours until it was proven that it was a false alarm.

A military report today indicated that a column of 40 Shining Path members on 26 June attacked in Puente Paucartambo, in the Peruvian central mountain range, and murdered six peasants in front of members community and set fire to several homes.

The Maoist guerrillas tried to blow up a nearby bridge, but the arrival of the soldiers made them flee, according to the communique.

In the town of Moho, Puno Department, which borders Bolivia, Shining Path members on 3 July murdered four engineers and two peasants who worked on a state agricultural project, according to police sources.

Military sources have reported that also in Puno, two Shining Path activists were killed on Sunday 30 June in clashes with security forces, including Eleuterio Cueva, considered the guerrilla chief of the area and a student of Altiplano National University.

Thousands of People Said Missing in 10 Years

PA0707193691 Paris AFP in Spanish 0404 GMT 5 Jul 91

[Text] Lima, 4 Jul (AFP)—Pedro Mendez has informed the general director of Amnesty International, Ian Martin, that more than 5,000 people have been reported missing in Peru over the past 10 years because of subversive violence.

During his second day in Peru, Martin met with members of the Armed Forces Joint Chiefs of Staff and with Prosecutor General Mendez, whose office is in charge of reports on missing people.

Martin stressed the need to provide the prosecutor general's office with the necessary funds and resources to conduct investigations into the human rights violations carried out by the police and military forces, who fight terrorism.

During his meeting with Martin, Mendez said that the number of mising people in Peru has increased since the first cases were reported in 1981, one year after the Shining Path Moaist group began its armed actions.

On 5 July Martin will meet with members of the congressional commissions and human rights organizations.

Yesterday, Martin expressed concern about the human rights situation in Peru.

Roundup of Terrorist Activities 18-20 Jun

PY0607025591

[Editorial Report] The following are reports on terrorist activities in Peru compiled from Peruvian papers published between 18 June and 20 June. Publication information is given in parentheses after each item.

Shining Path elements ambushed and killed David Diaz Hinostroza, administrator of the factory Tejidos La Union, located on Argentina Avenue and Jiron Acomayo (Lima EXPRESO in Spanish 18 Jun 91 p 5)

On 17 June, the National Police ordered a general mobilization throughout Lima Department in order to prevent terrorist attacks on the anniversary of the bloody incidents at Lurigancho, El Fronton, and Santa Barbara prisons that resulted in the killing of 300 inmates. The General, Technical, and Security Police, and troops from the 2d Military Region and the Peruvian War Navy participated. (Lima EXPRESO in Spanish 18 Jun 91 p 6)

On 17 June, subversives dynamited a yacht in the Maggiolo shipyards, in El Callao. It was unofficially reported that the yacht belonged to APRA [American

Popular Revolutionary Alliance] Deputy Virginio Carranza. (Lima EXPRESO in Spanish 18 Jun 91 p 7)

On the night of 17 June, terrorists destroyed at least 10 power pylons leaving half of Lima and other areas in the south without electricity. The electricity company announced that it will take a few days to repair the damages and restore full power. (Lima EXPRESO in Spanish 19 Jun 91 p 4)

Police reported the arrest of six terrorists during the 17 June blackout. The individuals were identified as Johnny Escudero Guillen, 23; Baal Egusquiza Durand, 32; Jesus Teodoro Perez, 20; Hector Gastulo Huaman, 24; Jaime Vidal Ames, 21; and Ramiro Alberto Minaquispe Flores, 29. When arrested, the individuals were carrying guns, explosives, hoods, and drawings of several buildings. (Lima EXPRESO in Spanish 19 Jun 91 p 9)

On 18 June, terrorists attacked El Callao Navy Base on Elmer Faucett Avenue. The terrorists threw two bombs inside the base and then fled in a station wagon. The bombs caused damage but no victims. (Lima EXPRESO in Spanish 19 Jun 91 p 10)

Police have reported that during the night a column of 40 armed MRTA [Tupac Amaru Revolutionary Movement] subversives dressed in uniforms raided the farm Loma Negra, owned by Victor Rodriguez Kohatsu, located 42 km south of Lima. The subversives arrived in two trucks and stole 1,500 chickens after tying and gagging the guards. (Lima EXPRESO in Spanish 19 Jun 91 p 11)

The National Police and the Army arrested four Shining Path terrorists in a operation in San Juan de Lurigancho. The police also seized large amounts of explosives and subversive materials and detained 40 neighbors for questioning. (Lima EXPRESO in Spanish 20 Jun 91 p 5)

On 18 June, Shining Path squads attacked the peasant community of Rumihuasi, San Pedro de Cachis district, 45 km from Ayacucho. The terrorists killed eight people, including four children, and wounded 21. The murdered adults were identified as Guillermo Quispe, 55; Manuela Tilcamicho, 35; Juaiiana Pacheco, 40; and Hermelinda Rojas, 43. (Lima EXPRESO in Spanish 20 Jun 91 p 6)

On 19 June, four hooded individuals armed with revolvers and submachine guns assassinated Huanuco's SUTEP [Trade Union of Education Workers] Secretary General Esteban Flores, 45, at his home in front of his wife and his three children. The Shining Path ordered an armed strike for 19 June and a group of subversives forced Radio Huallaga to broadcast a 30-minute message on the strike early in the morning. (Lima EXPRESO in Spanish 20 Jun 91 p 6)

Early in the morning hours of 19 June, terrorists dynamited an undetermined number of power pylons and left the city of Ayacucho in total darkness. (Lima EXPRESO in Spanish 20 Jun 91 p 6)

Uruguay

Communique Calls For Dialogue in Yugoslavia

PY0507190291 Madrid EFE in Spanish 1830 GMT 5 Jul 91

[Text] Montevideo, 5 Jul (EFE)—The Uruguayan Foreign Ministry today expressed its support for peace and dialogue in Yugoslavia while rejecting the use of violence as a means to solve problems. The Foreign Ministry's communique states that the armed conflict in Yugoslavia is worsening pending problems and promoting an atmosphere of confrontation.

The Uruguayan Government states that current disagreements in Yugoslavia must be resolved through dialogue and reasserts "its traditional position upholding respect for the principle of the territorial integrity of states and the free determination of nations within a framework of respect for the principles and regulations established by international laws."

President Lacalle Announces Reactivation Projects

PY0607183091 Montevideo Radio El Espectador Network in Spanish 1000 GMT 6 Jul 91

[Text] President Alberto Lacalle has announced that the Uruguay's construction sector will undergo a great reactivation in the short term. He also said that the government-sponsored tax reform will propose a gradual reduction of oil prices in order to adapt them to the reality of the Common Market of the South [Mercosur].

Lacalle made these statements to the press in the city of (?Rivera), where he spent the yesterday. Lacalle again emphasized the issue of social security, on which, he said, there should be a great debate nationwide. Lacalle also said the financial indicators are encouraging. He announced the construction of several projects that will generate many jobs. He mentioned the construction of a shopping center in Punta Carretas, the bus terminal in Tres Cruces, and the Pasteur hospital. He also stressed the investment to be made through the foreign debt swap, which anticipates the construction of three hotels, among other facilities. Asked about the matter of social security, Lacalle said:

[Begin recording] [Lacalle] I believe that few issues are of more national importance than social security. As you already know, the finance minister yesterday noted in Congress the dramatic situation of the figures; therefore, we have called on national sectors as we did with Mercosur, because the government understands that these are issues [words indistinct] term of the government. The issues of Mercosur and retirement, paradoxically, concern the young people because those who begin to work and know that this system has no future, believe that they are misusing their money. We are paying the retirees with great efforts. The whole society is providing financial support, including tax payments amounting to $320 million per year. This will be greatly increased in

the future. Therefore, I think that this will be an important issue for the public to debate. All political sectors are invited to participate in the debate on 15 July. On 16 July, the mass media, businessmen, workers, and retiree associations will be invited to a great debate on an issue that I consider urgent. I invite the people to join this debate, because everyone—young people, adults, retirees—should care about the need to make the retirement system work. Otherwise, the future of social security will be uncertain. If it continues to be very expensive, we will not be able to compete in Mercosur. I think that this issue should receive special attention. We invite all people to discuss this issue. This will be the real proof that we are able to face the future with determination, optimism, and realism.

[Unidentified reporter] [Question indistinct]

[Lacalle] I cannot anticipate any figure or date. I can tell you that the financial indicators reported at the end of the year showed some encouraging signs because economic activity has increased 1.6. percent. Major projects will be carried out, and they will generate many jobs. In the next few months, we will start the construction of the shopping center in Punta Carretas. Next week, we will sign a document on the construction of the bus terminal in Tres Cruces. The Pasteur hospital is being built [words indistinct]. There will be a great reactivation in the construction sector which will demand a lot of manpower. By the end of the year, the inflation rate will be very low compared with that of 1990. We have $150 million in investments from the projects on foreign investment swap, and we are planning to implement a program to reforest 50,000 hectares of land and to build three first-class hotels, whose construction and exploitation will possible generate jobs and will contribute to extending the tourist season in the country. There are encouraging signs, not many as we would like, but we are satisfied. We are trying to make those encouraging signs multiply.

[Reporter] Fuel prices must be decreased in order to join the Mercosur. Is this correct? [sentence indistinct]

[Lacalle] It is important to reduce fuel prices. We think that this is possible through gradual tax reform that can lead us to a competitive price as soon as Mercosur is set in motion on 31 December 1995. I will make a comparison: In Argentina, for example, fuel is taxed at a rate of 60 percent, while in Uruguay, gasoline, for example, is taxed at a rate of 105 percent. We must therefore try a way to get our price to the same level. Nevertheless, we should be careful because it easy to say no to the taxes. It is important [words indistinct] fiscal balance. Therefore, we want to privatize the enterprises, reduce expenditures, and encourage more efficient activity through the Pronade (National Debureaucratization Program) so that we can collect more money and thus reduce taxes.

[Reporter] Your latest statements frightened the national political sector. Have things returned to normal?

[Lacalle] I do not comment on [words indistinct]

[Reporter] Is it possible that those Colorado Party sectors which decisively support your proposal will have more participation in your cabinet?

[Lacalle] There are no changes within the cabinet. We maintain fluid relations with most Colorado Party members. They will hold a convention in the next few hours, and then we will see what decision this organization makes. [Words indistinct] all type of proposals, but we want to say that when we make a legislative proposal it is not aimed only at specific parties. For example, the issue of social security is aimed at all sectors, whether or not they are members of the cabinet. [end recording]

Central Bank Takes Control of BCCI Branch

PY1007000691 Madrid EFE in Spanish 0004 GMT 9 Jul 91

[Text] It was officially disclosed that Uruguayan Central Bank authorities intervened and took control today of the Montevideo branch of the Bank of Credit and Commerce International (BCCI) of Luxembourg until its financial and economic situation is determined.

The activities of the BCCI branch in Uruguay also were suspended until its economic and financial situation is assessed after the closing of BCCI branches in Europe.

A Uruguayan Central Bank communique states that the local BCCI authorities also have been dismissed.

The reason for the decision was "the need to preserve the interests of BCCI clients and other creditors," according to the Central Bank communique.

The Central Bank states that the decision was taken after the Luxembourg and Netherlands authorities' decision to intervene in that bank and block its payments.

On 5 July, BCCI interrupted its activities when the Bank of England froze its capital, and the liquidation process started.

Military Integration Within Mercosur Ruled Out

PY0907002791 Montevideo EL PAIS in Spanish 22 Jun 91 p 9

[By Edgar Martinez Lucero]

[Text] Minas—At the end of their visit here, high-ranking officials in the Defense Ministry completely ruled out the possibility of military integration within the Common Market of the South [Mercosur] similar to the planned commercial integration.

Defense Minister Mariano Romeo Brito, Defense Under Secretary Ignacio Risso Abadie, and Lieutenant General Guillermo de Nava toured the facilities of four local military units. They concluded their visit at Infantry Group No. 4 in this departmental capital.

Referring to the possible integration of the Armed Forces within the framework of the Mercosur, Brito said, "In the

military area, we have to take into account the Armed Forces' specific roles and its professionalization. These roles have been outlined in Uruguayan laws, and the Armed Forces' performance must be adjusted to these roles, which are not compatible with economic integration. They are different things. We cannot establish a similar integration because it would cause confusion."

Concerning relations between politicians and military men, Brito admitted that the two sectors think in different ways, adding that "coexistence between politicians and military men is normal. Normal relations and mutual respect contribute to respect for the roles of each sector."

Brito added, "It is normal for military men and politicians to hold meetings because these people maintain normal relations. Despite the fact that we have different ways of thinking, we can meet and coexist in peace."

On budget cuts in the Defense Ministry that affect the Armed Forces, Brito said, "The Defense Ministry is part of the country and The country faces a certain reality. The government is trying to do its best with the available resources, and we have no option but to reduce the budget."

Venezuela

Perez Delivers Independence Day Speech

PA0707001491 Caracas Venezolana de Television Network in Spanish 1300 GMT 5 Jul 91

[Independence Day speech by President Carlos Andres Perez from the National Congress in Caracas—live]

[Excerpts] [passage omitted] Venezuelans, the historic invocation has true and profound meaning as long as we can be consistent with the struggles of our forefathers. Venezuela's objectives, which have been reached with the declaration of independence, will never be considered finished. This must be constantly renewed with the efforts of each generation in order to build this nation. [passage omitted]

To be worthy of a glorious past, we must have a present that is also marked by struggle in order to make our dreams and projects a reality. We must not let ourselves be defeated by pessismism. We should not have to repeat that Venezuela is not a lost country; that Venezuela is basically an honorable country. [passage omitted]

I want to ratify on this solemn day that Venezuela is living through a period of transformations that is part of the worldwide wave of renovation that is shaking the entire globe, including those that at one time were thought to be the most unmovable political systems. The changes our country is going through have placed us at a crossroad. We have a choice of proceeding on the same path that, although it resulted in a number of positive political, economic and social gains, had come to a dead end with respect to its possibilities. A profound change toward the modernization of Venezuela is taking place. We do not reject the achievements of the past, which permitted the consolidation of the democratice system.

The reform of state and society is the strategic axis of Venezuela's modernization. When countries—as it currently happens—begin economic reform without political transformations, they crash head-on with all the institutions they find in their path. The urge to democratize becomes uncontrollable. The economic changes create an atmosphere of liberation that cannot be stopped or hidden.

With this experience before us, we, the inhabitants of this planet and nearing the end of the century and the millennium, accept the challenge of promoting these two simultaneous courses of change. Doing this does not eliminate our problem, but it allows us to build a more solid future.

There are two kinds of problems with this modernization of the Venezuelan society. The first is that it has caused an early rising of the sediment of injustice that was laying at the bottom of Venezuelan society. The adjustment policies did not cause the poverty and lack of equality. The adjustment policies removed the artificial veil that sustained our economic and social model, thus, exposing reality. When the artifices were removed, the imbalances became more acute. The alternative was to allow hyperinflation, mass unemployment, and the unchecked social vengeance. [passage omitted]

The role of public opinion cannot be substituted. Now, there is an atmosphere of democratization and broad freedom for all sectors without limitations. It is true that there have been some excesses. I have been issuing serious warnings about the manipulation of scandals for ends that are very different from what Venezuelans want. Unfortunately, it is not easy to prevent this immoral manipulation, however, it would be more dangerous to try to shape or limit them since all attempts would lead to the endangerment of freedom of expression and information.

This is the way I see it. In the end, society's applause for truthful and worthy information or its sanction of exaggeration and aggression will produce the balance in the public opinion. This, however, takes time, which is unavoidable. I can assure, however, that the government will not assume the dubious duty of censoring the media. [passage omitted]

I invite all of you to observe events in today's world; I assure my fellow countrymen, leaders, and parties that what our people have in their souls is the enthusiasm of a promise of a new way for leaders to relate to society, to build this new course, and the efforts of our people to place themselves at the vanguard of a country that is moving ahead.

I do not want my sincere and cordial warnings to be interpreted as siding with the latest senseless trend taking place in Venezuela against the parties, shadowed

by the changes and confusion generated by this crisis. The parties are the protagonists that have made this new Venezuela possible. It is to the parties that we owe these 30 years of efforts and achievements that we have built.

What I affirm, seek, and call for is that these political parties should once again be the vanguard, and that they face with renewing action the campaign that I feel obligated to denounce as contrary to the most authentic and genuine national interest. It is not sectarism or demagoguery to loudly proclaim that there is no democracy without parties; however, we must also say that democracy is also endagered when parties remain removed from events. [passage omitted]

To strengthen the full force of the rule of law and institutional democracy, I decided during yesterday's Council of Ministers to restore the full enforcement of the economic guarantees contained in Article 96 of the national constitution. This guarantee has been suspended throughout the 30 years that the constitution has been in force; a constitution enacted by Romulo Bethancourt in this same eliptical hall, which has been the witness of momentous national decisions. This reinstatement that I am announcing to the country means the national constitution is fully in force. It establishes solid legal conditions for the total restitution of a rule of law. It promotes the confidence of domestic and foreign investments. It conveys the willingness to have clear and reliable rules for all sectors and returns to congress the exclusive power to legislate on matters that regulate economic freedom.

I am warning, however, that this restitution will not prevent the state from intervening as regulator of fundamental aspects of economic activity. What is happening is that the executive power will not be able to do so without allowing congress to exercise its responsibility.

We are not going to practice the so much advertised and praised neo-liberalism that permits the main actors of the economic process do as they please with no regard for economic democracy.

The state will not renounce, under any circusmtance, its role as guarantor of the highest interests of society, as those who are leading the nation now, firm interpreters of the 1961 constitution, understand them.

I will now discuss an issue that represents a serious and pressing responsibility for all the Venezuelans: The struggle against the trafficking and consumption of drugs. On 21 June in a memorable ceremony at the Teresa Carreno theater, I, on behalf of the country and the government, assumed a national commitment against drugs. Today I want to ratify the irrevocable decision I announced on that occasion.

In Venezuela we have declared war on the consumption and trafficking of drugs. When I say that this is a world war, I am not trying to use a spectacular or rhetorical phrase. All of mankind is threatened; therefore, we must join efforts and hopes against this abominable crime against mankind.

At that ceremony I promulgated the law that ratifies the UN agreement against the illegal drug and narcotics trafficking. Venezuela is acting on the recommendation that was made. This is done only by people whose spiritual values are intact and who are ready to wage whatever battles the future may bring.

On this national holiday, I want to reiterate my appeal to the young people to be the country's vanguard. They are the victims. They must head this crusade to keep the big businesses that support the infamous drug trafficking from settling down among us.

We have said and demonstrated that our government actions in the framework of the modernization process make up an integral part of Venezuela's policies. The government's actions are primarily directed at showing that Venezuela, like all the other countries of the world, is not isolated.

Venezuela's foreign policy is an essential element of the transformation policy being implemented. If it were not, we would not have been able to implement the transformation policy.

Simon Bolivar's pursuit of integration serves as a basic factor for understanding the importance of Latin American integration, a fundamental premise of our foreign policy. This is another way of adhering to the basic tendencies of today's world and to the principles I have zealously defended throughout my life as a leader and magistrate.

Foreign policy is called that only because of tradition. Today, foreign policy forms part of the core of a country's domestic policy. The essential elements that form part of a country's policy depend on and are determined by what happens in the international political world, in the world's financial markets, and in the type of relations that the prevailing powers have with our nations.

I have been criticized by people with small minds or with cheap political ideas because of my work to implement a bold foreign policy. These small people have accused me of having international leadership ambitions. History teaches, and I am fully aware of this, that this kind of leadership can neither be decreed nor the result of a personal yearning.

That which I have done, and will continue doing with all the zest I am capable of, is to develop Venezuela's foreign policy to speed up our country's transformation without the traumatic experiences of other regions of the world.

Some voices have been raised, criticizing our efforts for peace in Colombia and Central America. We do it because if there is no firm peace in Colombia, the rest of Central America, or in the other countries of the region, then Venezuela will not be at peace or safe either. If our

critics are not convinced by the idea of soidarity, at least they should be convinced by egoism.

Nobody will be safe unless everybody is safe. No nation will have sustained social and economic development unless all nations have it. None of our nation will make progress to mark the pace of a modern society unless all of our nations are firmly modern.

The fundamental changes that have taken place in the world and the strategy for development and recovery that my government has established have set an important foreign policy challenge. We have not assumed this challenge with a passive attitude, with the attitude of waiting for new relations between states and nations to emerge as a result of the complex and giant efforts that produced the end of the cold war and the beginning of a new international economic order, which is still being engineered and in which we want to participate. On the contrary, we have confronted problems to establish the country's adherence to the international system in an interdependent world. We are aware of our limitations as a developing state. This is where the importance of the Latin American multilateral organizations we have worked on lies.

We want to expand the scope of our national economy in close coordination and cooperation with the countries that share with us the ideal of development with justice within a framework of democratic liberties.

We want to have some say in the future of this world that we do not control.

We have substantially improved our relations with our neighbors by searching for formulas that allow us to overcome differences and to continue to cooperate and coordinate efforts to make progress toward our common goals.

We have clearly told the big industrialized powers that the big changes taking place in other parts of the world should not make them forget their responsibilities for cooperation in the developmental efforts of the Third World, in general, and continental and Caribbean Latin America, in particular.

We are planning ahead for the integration of the EEC by pointing out and facing the protectionist tendencies that have emerged and that weaken our access to European markets, capital, and technology. We have accepted the challenge put forth by President George Bush's initiative in a proper framework for a new era of relations with the United States by considering it an incentive to speed up the integration processes that have already begun in Latin America.

We have made contributions to the discussions aimed at strengthening international, world, and regional organizations by making proposals for the rescinding [derogacion] of the United Nations and for a fundamental redefinition of the role played by the OAS. We have achieved an important international victory at a world level in defense of the vital interests of Venezuela despite pessimistic predictions at the meeting of oil exporters and importers in a shared effort, not to set prices or to attempt to replace markets, but to share responsibilities for the stability of those markets, both in matters of the supply and demand for oil as well as prices, the fluctuations of which are usually and alternately catastrophic for the economies of consumers and producers and for world economies, the overall stability of which we are responsible because of the characteristic independence of our times.

French President Francois Mitterrand was an important factor in our obtaining this significant victory for Venezuela.

At the Group of Three, the Group of Rio, the South Commission, the OAS, the United Nations and its special organizations, GATT, the Andean Pact, the Latin American Integration Association [ALADI], and OPEC; in our relations with the Caribbean Common Market [CARICOM] and the EEC; through our commitments in the San Jose Agreement; in our ever-increasing bilateral relations on this continent and beyond with the industrialized powers and developing countries, we have always maintained a firm and coherent and policy.

We have based our foreign policy on the permanent principles of the nation's interests and on our spirit of cooperation and respect for the rights and aspirations of all nations; on the defense of human rights; on the rejection of apartheid and colonialism; on our commitment to development with social justice and democracy; on cooperation and integration; on nuclear disarmament and peace; and on the rejection of aggression and violence as the means to resolve international conflicts.

It is time to say that peace in the Middle East continues to be the main focus of efforts for world peace.

After the formidable effort conducted under the UN leadership for the first time in its history to guarantee respect for international borders, Israel's refusal to resolve the Palestinian problem is alarming and requires firm determination.

Israeli friends: We voted for the creation of your nation at the United Nations, we were among the first to recognize it, and we honored your great leader Golda Meir in our country. Therefore, we believe we have full authority to speak with this clarity, which is unusual in the diplomatic world. With profound satisfaction we affirm our support for the momentous efforts conducted by the United States through its Secretary of State James Baker, who represents the country that has been a crucial ally in the survival of the Israeli state.

Arab friends: Even though we share OPEC responsibilities with leading Arab countries, we have never hesitated to support the Israeli people. Today we cannot but express weariness and anguish when we see that the tragic and tremendous effort undertaken by the world in the Iraq-Kuwait conflict to ensure respect for a nation's

borders is being hampered and threatened by the country that has received more international solidarity than any other, a country that was reborn within the United Nations, but today will not listen to its resolutions.

Resolution of the Palestinian problem is vital for world peace. The Middle East, shaken to its roots by the Iraqi conflict, and Arab countries—the majority of which are willing to recognize Israel and the inviolability of borders dramatically established there—the Soviet-U.S. agreement, and the UN mandates all call for an agreement on world peace.

The Group of Rio reiterated its full support for the United Nations at a meeting in Caracas to review the Middle East situation during the Iraq-Kuwait conflict. It also explicitly said that resolution of the Palestinian problem will lead to peace in the Middle East.

The new international order is being threatened by this conflict. The terms of mediation proposed by the Bush Administration cannot be more timely. In Latin America, we hope that the European Community will assume a more active role, and if necessary, that the UN Security Council will assume the leading role, if the Israeli Government does not listen to the voices of its friends. [passage omitted]

Safeguarding the security and defense of our national territory, the stability of our democratic institutions, our people's well- being, and the permanent goals of our national interests require international, bilateral, and multilateral coordination and cooperation. Therefore, during my previous government, while conducting political activities, and since the first day of my administration, I have stressed and reiterated the need to lay the foundation for strengthening that necessary cooperation. That is why I have traveled and will continue to travel wherever necessary to help consolidate a network of international agreements, pacts and commitments that will strengthen the chances for multilateral, bilateral, regional, and world cooperation. [passage omitted]

Natural identification and constructive dialogue among our nations is being strengthened by the unstoppable democratization that characterizes the region. We have definitely achieved democracy; now we must preserve it and strengthen it.

At the recent OAS General Assembly we proposed specific measures against the illegal interruption of governments constitutionally elected in any country in the region. We did not achieve everything we wanted, but we have advanced in the steadfast and irrevocable process of modernizing the OAS, adapting it to the new realities of the world and our America.

As we have said, we have directed considerable effort toward the dialogue and stabilization of peace in Central America. Also worthy of mention is Venezuela's active contribution in Haiti's democratization process.

Aware of the involuntary separation that colonialism and language have imposed on the Caribbean area, at the summit of the Caribbean Common Market, Caricom, held in St. Kitts on 1 July, I announced the elimination of customs barriers for products that originate in Caricom countries as Venezuela's contribution toward strengthening regional integration and consonant with our interest in becoming a full member of Caricom.

To conclude, within the scope of international relations, I must salute with satisfaction and optimism the Group of 15, a forum of developing nations comprised of Algeria, Argentina, Brazil, India, Indonesia, Jamaica, Mexico, Nigeria, Peru, Senegal, Yugoslavia, Zimbabwe, Egypt, Malaysia, and Venezuela. This group was created as an instrument for broadening cooperation of mutual benefit among the countries of the south, promoting fruitful and positive north-south dialogue that today—when the ominous east-west confrontation is over—should be the world's agenda.

The second summit of the Group of 15 scheduled to take place in Caracas during the second half of November, will be a fundamental contribution toward strengthening the presence of the south in the discussion of important world topics.

We are committed to continuing along this course of action. We are also convinced that with the help of all states we can lay the foundations for a dignified and equitable world order. Within the context of this urgent need, the United Nations, as an equalizing factor in international relations, can play a very important role, and therefore, our efforts are directed at strengthening that role. [passage omitted]

Romanian President Begins Visit, Meets Perez

PA0807135991 Madrid EFE in Spanish 0004 GMT 8 Jul 91

[Text] Caracas, 7 Jul (EFE)—Romanian President Ion Iliescu arrived today for a four-day visit to Venezuela and was met by his Venezuelan colleague Carlos Andres Perez.

Iliescu and Perez will sign bilateral cooperation agreements in cultural, economic, and political fields, with emphasis on a consultation mechanism between high-ranking officials of the two countries' foreign ministries.

In the economic field, both Romania and Venezuela produce oil and steel, industries in which the presidents will seek formulas for cooperation.

During his visit to Venezuela, Iliescu will hold two working meetings with the Venezuelan president and visit the Guyana industrial area in the southern part of the country near the Brazilian border where there are important government-run steel and aluminum enterprises and the largest Latin American hydroelectric plant.

On 8 July, the Romanian president will be received in a ceremony at the Venezuelan Parliament and on 9 July his principle activity will be to meet with Perez at the Miraflores Palace.

On 10 July, the Romanian president will visit the main offices of the Latin American Economic System and will have a second meeting with the Venezuelan president. Afterward, Iliescu will meet with the Romanian community living in Venezuela.

Among the agreements Iliescu and Perez will sign are one dealing with air transportation, another dealing with cooperation between the VENPRES and ROMPRES wire services—which belong to Venezuela and Romanian respectively—and an agreement between the Venezuelan Federation of Associations and Chambers of Commerce and Industry and the Romanian Chamber of Commerce and Industries.

On 11 July, the Romanian president will end his official visit to Venezuela and travel to Costa Rica as a guest of that government.

Brings 'New Phase' in Relations

PA0807201091 Caracas Venezolana de Television Network in Spanish 1600 GMT 8 Jul 91

[Text] Romanian President Ion Iliescu arrived in Venezuela yesterday and today initiated a four-day official visit during which a new phase in the bilateral relations shall be established. This is the first time that a Romanian president has visited our country, and today Iliescu will hold the first formal meeting with President Carlos Andres Perez. This is Iliescu's first visit to a Latin American nation. Iliescu,who was elected president after the overthrow of former dictator Nicolae Ceausescu in 1989, will meet on two occasions with his Venezuelan colleague Carlos Andres Perez; it is believed that the conversations will focus on cooperation regarding energy and the economy. With this visit, Iliescu is attempting to set the stage for a new phase in the development of friendly relations between Venezuela and Romania.

Upon his arrival at the Simon Bolivar International Airport the Romanian president stated that he has come to our country to represent the Latin Americans who have lived on European soil for over 2,000 years.[Sentence as heard] Iliescu added that this visit has a very special meaning because, besides being his first visit, he hopes to reach bilateral agreements to strengthen the economic, political, and cultural ties between both nations.

[Begin Iliescu recording in Romanian with passage-by-passage translation into Spanish] This is our first visit to Latin America, and our visit to Venezuela has special meaning. We want to manifest our special feelings and interests toward Latin America in general, and particularly to Venezuela and her people. [end recording]